



**The California Managed Risk Medical Insurance Board**  
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**HEALTHY FAMILIES PROGRAM  
Vision Plan Model Contract and Proposal Solicitation  
July 1, 2005 - June 30, 2008**

This notice provides important information regarding the selection of new and continuing vision plan contractors for the purpose of providing comprehensive vision care to subscribers in the Healthy Families Program (HFP) for the period July 1, 2005 through June 30, 2008. **A supplemental solicitation for participation in the Rural Health Demonstration Project from July 1, 2005 through June 30, 2007 is also included as Enclosure 7.**

**Background**

The Managed Risk Medical Insurance Board (MRMIB) administers the HFP. In this solicitation, MRMIB is seeking proposals from vision plans currently participating in HFP as well as new vision plans interested in partnering with MRMIB to provide vision services to the program's subscribers.

Since July 1, 1998, the Healthy Families Program has offered low-cost comprehensive health, dental and vision coverage to uninsured children with family incomes above the for no-cost Medi-Cal eligibility level but not exceeding 250% of the federal poverty level (FPL), with limited exceptions. As of August 31, 2004, 681,992 children were enrolled in the program. The program is funded with a combination of federal State Children's Health Insurance Program funds and state funds.

Coverage is provided through a purchasing pool in which families select a health, dental and vision plan from several offered in their area of residence. In the 2004-05 contract year, a total of 27 health plan products, five dental plan products, and one vision plan are available through HFP in various part of California.

Except for American Indian and Alaskan Native subscribers, families contribute toward the cost of HFP coverage in the form of premiums and co-payments. Families currently pay premiums ranging from \$4 to \$9 per child per month, up to a family maximum of \$27 per month. Effective July 1, 2005, families with incomes between 200% and 250% of the FPL will pay \$12 to \$15 per child per month, up to a family maximum of \$45 per month. Families that select a health plan designated as a Community Provider Plan (CPP) receive a \$3 discount per child on their monthly health plan premiums.

Covered services and benefits are described in HFP regulations (Title 10, California Code of Regulations, Chapter 5.8, Article 3, Sections 2699.6721 and 2699.6723), and referenced in Item IV, Covered Services and Benefits, in Exhibit A, Scope of Services, of the model contract. Program regulations, as well as other HFP information, are available on the MRMIB website ([www.mrmib.ca.gov](http://www.mrmib.ca.gov)). If a subscriber has been authorized by the California Children's Services (CCS) Program to receive services, medically necessary services to treat CCS-eligible conditions are "carved out" of HFP benefits.

### **Eligible Entities**

Entities eligible to respond to this solicitation are those vision plans that have obtained or will obtain regulatory approval authority to offer the HFP benefit package as a licensed health care service plan (California Department of Managed Health Care (DMHC)) or insurer (California Department of Insurance (DOI)). Interested entities are encouraged to contact DMHC or DOI as soon as possible to clarify if additional regulatory review and approval are needed.

All entities seeking to provide vision services to HFP subscribers should be familiar with Title XXI of the federal Social Security Act, the authorizing state statute (Insurance Code section 12693 et seq.), and HFP regulations.

### **Vision Plan Provider Networks**

MRMIB is seeking to provide program subscribers with broad-based access to providers. As such, the Board is requiring plans to submit their entire licensed service area and is asking vision plans to provide subscribers with access to the plans' largest commercial (or for plans currently serve Medi-Cal members, their full Medi-Cal) provider network. Vision plans that participate in both the Medi-Cal and the commercial insurance markets are being asked to provide HFP subscribers with access to their commercial network and are encouraged to enhance their commercial networks with those providers and facilities that are currently available only in the Medi-Cal network.

In the Vision Plan Fact Sheet, vision plans are required to submit their optometrist enrollment capacity by county. Final determination of network adequacy will be the responsibility of each vision plan's licensing entity. Vision plans are strongly cautioned against proposing use of a "scaled back" or "limited" provider network. It is the Board's experience that the use of a scaled back/limited network will lead to confusion among both subscribers and providers.

### **Rates of Payment**

MRMIB will enter into full risk contracts with plans for services to subscribers. Vision plans assume 100% of the risk for the cost of covered services. The format for proposing flat per-subscriber fees may be found in Attachment IV, Confidential Attachment – Rates of Payment in the Model Contract. Plans must provide both one-

and two-year rate requests for the regions of the state in which their proposed service areas fall. A map of the regions used in the Program is included in Attachment IV.

MRMIB will pay participating plans on a per enrolled child per month basis. In the first month of enrollment, the negotiated rate will be paid for subscribers with effective dates of coverage on the first through the fifteenth day of the month. No payment will be made for the first partial month of coverage for subscribers whose coverage begins on the sixteenth day or later.

MRMIB uses the Family Value Package (FVP), described in section 2699.6500 (1) of the HFP regulations, to determine a combination of health, dental, and vision plans that provide the best value for HFP subscribers in each county. The calculated value of the package is the benchmark against which each plan's rate proposal will be evaluated. Before the FVP process commences, MRMIB staff and its actuary, PricewaterhouseCoopers, will analyze plan rate requests and supporting documentation provided in the Rate Development Template and may place quality assurance calls to plans in January. MRMIB may then negotiate plan-specific rates with potential plans in February 2005. The FVP process is iterative in nature and typically consists of three rounds of rate submissions and negotiations over the course of approximately three weeks. Further details on the FVP process will be sent to plans involved in rate negotiations before the start of the process.

Note: MRMIB is soliciting proposals prior to the enactment of the 2005-06 State budget. Implementation of the contract is contingent on appropriation and continued allocation of state and federal funds for the Healthy Families Program.

### **Contract Term**

The term of the contract is for three years, from July 1, 2005 through June 30, 2008. At the option of the State, the contract may be renewed for two additional one-year terms.

### **Due Dates for Plan Submissions**

Proposals from plans are due on two different dates: **3:00 p.m. Friday, December 10, 2004** for certain documents, and **5:00 p.m. Thursday, January 6, 2005** for the remainder. Details are included in "Documents to be Submitted to MRMIB," which is attached to this solicitation letter. **Late submissions will not be accepted.**

**In addition, plans submitting proposals for Rural Health Demonstration Projects must submit those proposals no later than 5:00 p.m. Friday, January 14, 2005. See Enclosure 7 for details.**

### **Contracting Process**

The HFP enabling legislation exempts MRMIB from all provisions of state law related to competitive bidding. MRMIB will conduct a fair, open and rigorous competition, including a competitive negotiation process, for the award of contracts.

This solicitation package is being made available to currently participating HFP vision plans and plans that have expressed interest in being HFP vision contractors. The Model Contract (Enclosure 1) and supporting documents describe the vision services, customer service, quality measures, and performance standards MRMIB is seeking to purchase. In preparing its proposal, a potential plan may request redline changes to the Model Contract. These requested changes will be subject to negotiation with MRMIB staff and will be one of the factors used in selecting participating plans.

After the release of this solicitation and prior to the first due date for submission of proposals, all interested vision plans currently not participating in HFP should arrange to meet with MRMIB staff to discuss their interest in the program and the requirements of this solicitation. Potential new plans should contact Joyce Iseri, Chief Deputy Director, at [jiseri@mrrib.ca.gov](mailto:jiseri@mrrib.ca.gov) or (916) 324-4695 to schedule a meeting.

### **Bidder's Conference**

MRMIB will hold a bidder's conference on **Tuesday, November 9, 2004, from 1:00 p.m. to 4:00 p.m. in the auditorium of the State Personnel Board, 801 Capitol Mall, Sacramento, California**. MRMIB staff will review the model contracts for health, dental and vision plans and answer questions from plans. The RHDP solicitation will also be covered as the last agenda item. Notes from the bidder's conference, including answers to key questions raised at the bidder's conference, will be sent to all interested parties. If you plan to attend the bidder's conference, please notify Dennis Gilliam, Contracts Administrator, at [dgilliam@mrrib.ca.gov](mailto:dgilliam@mrrib.ca.gov) by **November 5, 2004**.

### **Selection of Plans**

The HFP authorizing statute permits MRMIB to select vision plans for participation in the program, using criteria developed by the Board, and instructs MRMIB to contract with a sufficient number of vision plans to assure that vision benefits are available to all subscribers.

All proposals will be reviewed in their entirety using the following criteria:

1. All wording changes requested by the plan in the language of the Model Contract and Model Evidence of Coverage, including (a) those that indicate the plan's inability or unwillingness to meet performance and quality standards or to accept other contractual terms and/or language; and (b) proposed improvements to the service levels and/or terms of the Model Contract.
2. The network of providers and facilities available for subscriber choice, as demonstrated by the plan's completed Geographic Area Grid (Attachment I), Provider Directory, and network capacity chart (Enclosure 2, Vision Plan Fact Sheet and Network Capacity Chart).

3. The customer service features of vision plan operations as demonstrated in responses provided in the Vision Plan Fact Sheet, the Cultural and Linguistic Services Report, and any proposed Model Contract changes that affect issues related to customer service.
4. The ability to meet program and regulatory timeframes for implementation (such as Evidence of Coverage or Certificate of Insurance), as demonstrated by submission of a complete proposal, and any proposed Model Contract changes that affect the timing of implementation.
5. The cost effectiveness of the vision plan's proposal, as demonstrated by the plan's cost to deliver benefits to subscribers (price) relative to services offered; the plan's experienced loss ratio in the program, if any; the plan's Rate Development worksheet; and any wording changes requested by the plan to the provisions of the Model Contract that affect price.
6. The ability of a vision plan to meet program quality and performance standards, as demonstrated by such factors as consumer satisfaction data for a plan.

Individual factors will not be given specific numbers of points in the evaluation process. Proposals will be evaluated in their entirety. The evaluations will be comparative. During the review process, the State may enter into negotiations with a potential vision plan on the contents of the proposal submission, including its rate proposal. The State reserves the right to accept a proposal as submitted. Submission of a supplemental proposal to participate in the Rural Health Demonstration Project will neither advantage nor disadvantage a plan.

Staff will prepare an analysis of the proposals for the Board, which will select vision plans based on assessment of the best overall value to the State. **Currently, the Board is scheduled to select vision plans to participate in HFP at its March 2, 2005 meeting, but reserves the right to schedule selection on a different day.**

All potential vision plans selected for participation or continuing participation in HFP should note the following:

- By **April 1, 2005**, plans must have their service areas for HFP coverage approved by their regulatory entities (DMHC or DOI) in order to be a plan choice in those service areas during the HFP open enrollment for the 2005-06 benefit year. Refer to Attachment I, Geographic Area Grid Instructions, in the Model Contract for further details.
- By **April 15, 2005**, new plans selected for participation are encouraged to have their Evidence of Coverage/Certificate of Insurance (EOC/COI) booklets and Provider Directories approved and available for distribution to interested subscribers by the start of the open enrollment period (April 15 through May 31, 2005).

- By **June 1, 2005**, plans must have their EOC/COI booklets, Provider Directories, and any collateral materials approved by DMHC or DOI and ready for distribution.
- Potential HFP plans should time their regulatory filings to coincide with these dates. Entities unable to meet these timelines may not be eligible to participate. The first effective date of coverage will be July 1, 2005.

### **MRMIB Contact**

Questions on this solicitation should be addressed to Joyce Iseri, Chief Deputy Director, at [jiseri@mrmib.ca.gov](mailto:jiseri@mrmib.ca.gov) or (916) 324-4695. New plans interested in participating in the Healthy Families Program should contact her prior to submitting a proposal. We look forward to working with you.

*Rev. Solicitation letter/10-28-04*

**HFP Vision Plan Model Contract and Proposal Solicitation**  
**7/1/05 – 6/30/08**  
**Documents to be Submitted to MRMIB**

**Summary of Due Dates for Receipt by MRMIB**

- **3 p.m. Friday, December 10, 2004:**
  - Signed Geographic Area Grid, Zip Code Workbook, and supporting documentation (Enclosure 1, Attachment I)
  - 2005-06 Evidence of Coverage/Certificate of Insurance (Enclosure 1, Attachment V)
  - Signed 2005-06 Plan Fact Sheet (Enclosure 2)
  - Cultural and Linguistic Services Report (Enclosure 4)
- **5 p.m. Thursday, January 6, 2005 – all other documents, including:**
  - Signed HFP Model Contract, including a summary of proposed redline changes and a redline version of the model contract (Enclosure 1)
  - Signed Debarment Certification (Enclosure 1, Attachment III)
  - Requested Rates of Payment (Enclosure 1, Attachment IV)
  - Plan Description, Comparative Chart and Language Grid (Enclosure 3)
  - Signed Contractor Certification (Enclosure 5)
  - Signed Rate Development Template (Enclosure 6)
- **5 p.m. Friday, January 14, 2005 – Rural Health Demonstration Project proposals (see Enclosure 7 for details)**

A complete proposal consists of the items listed in these instructions. Paper and electronic versions of proposals must be **received** by MRMIB no later than the specified dates and times. **Note that the December 10 submission is due by 3 p.m., not 5 p.m.** Unless instructed otherwise, please submit three paper copies of all documents in three-ring binders to Joyce Iseri at MRMIB, 1000 G Street, Suite 450, Sacramento, CA 95814. Also send an electronic copy to [jiseri@mrrib.ca.gov](mailto:jiseri@mrrib.ca.gov). Please send the Geographic Area Grid (Attachment I) and Rate Development Template (Enclosure 6) to the addressees identified below in Items 2.c and 8, respectively.

1. **Cover Letter.** This letter should be on the plan's letterhead and should be signed by a person able to enter into contracts on behalf of the plan. The letter should include the name, title, phone, fax, and e-mail of the contact person for the plan.
2. **Model Contract (Enclosure 1).** Enclosed are copies of the 2005-08 Model Contract as well as a signature page (STD 213) that lists exhibits and attachments. Plans should carefully review the contract before signing. Return a complete copy of Enclosure 1 (STD 213 cover sheet, Exhibits A through E, and Attachments I through V). Be sure to complete all documents and make sure the cover sheet is signed and

includes the signatory's name and address. If your plan is selected for participation in HFP, MRMIB staff will prepare the final contract and return it to you for signature on the final contract.

If your plan is proposing any changes to the model contract provisions, your submission must include the following:

- A "redline" version of the model contract, with language proposed to be deleted shown as ~~strikeout~~ and new language proposed to be added **underlined in bold type**. Show requested redline changes in the margin of the model contract or, if lengthy, on a separate sheet of paper immediately following the page with the requested change. Plans are encouraged to discuss any significant proposed changes to the model contract with Joyce Iseri prior to submission.
- A summary of your plan's proposed redline changes, attached to the front of the redline version. The summary should identify the exhibit or attachment, contract item number, page number, a short description of the proposed redline change, and the rationale for the change. Submissions without a summary of redline changes will be considered incomplete.

Please note that the following components of Enclosure 1 require plans to provide information and/or signatures:

- a. **Contract Cover Sheet (STD 213)**. The signature page of the Model Contract requires plans to provide "fill in the blank" information, including signatory's name and address. All such areas should be completed prior to submission. A signature is required to indicate that the proposal is on behalf of the plan.
- b. **Exhibit D, Special Terms and Conditions**. Please provide the information requested on page 6 for your plan's contact person.
- c. **Geographic Area Grid and Zip Code Workbook (Attachment I)**. Included in the package are instructions for filling out Attachment I, the Geographic Area Grid. For plans currently participating in HFP, the current geographic areas served by your plan for the 2004-2005 contract year and a blank Geographic Area Grid are included. Please have a responsible plan official complete and sign Attachment I for the 2005-2006 contract year. Currently participating plans will also receive a copy of the Zip Code Workbook, including a plan-specific zip code listing that shows counties with partial areas of coverage for the 2004-05 contract year. A responsible plan official will need to review and sign the Current Zip Code listing and state whether any zip codes will be added to or deleted from your plan's area of coverage.

New plans should follow the instructions in Attachment I for completing the Proposed Geographic Area Grid and Zip Code Workbook.



By **April 1, 2005**, all new plans and any current plan proposing to change any geographic areas or zip codes must obtain approval of new service areas from the Department of Managed Health Care or Department of Insurance, in order to be an available plan during open enrollment. Refer to the Attachment I instructions for further details. Please submit a hard copy of the 2005-06 Geographic Area Grid, the Zip Code Workbook, and supporting documentation to Sarah Soto-Taylor, MRMIB Eligibility Manager, and an electronic copy to [wsanchez@mrmib.ca.gov](mailto:wsanchez@mrmib.ca.gov), by **3 p.m. December 10, 2004**.

- d. **Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion (Attachment III)**. Please have an authorized person sign and date the certification.
  - e. **Confidential Rates of Payment (Attachment IV)**. Submit one- and two-year rate requests for regions of the state your plan proposes to serve. Rates should be stated on a per child per month basis and developed using the Rate Development Template (Enclosure 6). Requested rates must correspond to information reported in the Rate Development Templates.
  - f. **Evidence of Coverage/Certificate of Insurance (Attachment V)**. MRMIB, in consultation with DMHC, has developed a model EOC/COI to expedite the development and review of a plan's EOC/COI. Although use of the model EOC/COI is optional for plans, MRMIB encourages its use to facilitate the coordinated MRMIB and DMHC review process. The model EOC/COI is consistent with the benefits listed in HFP regulations and Knox-Keene Act requirements. Some sections of the model EOC/COI have been left blank to allow plans to insert their customized information. Instructions for a plan to either use the model EOC/COI or develop its own EOC/COI are included.
3. **Completed and Signed Plan Fact Sheet (Enclosure 2)**. The fact sheet has been revised to clarify and delete some previous questions. The Network Capacity Chart is now page 3 of this document. For each county in which your plan will participate in the HFP, please provide the number of optometrists in your network and the number and percentage of optometrists that are accepting new patients. Also provide the estimated number of patients that can be served in each county with your network. Make sure page 6 is signed by a person authorized to sign on behalf of your plan.
  4. **HFP Provider Directory**. Please include the most current provider directory for the network that is or will be available to HFP subscribers in your plan's service area.
  5. **Plan Description, Comparative Chart and Language Grid (Enclosure 3)**. Vision plans currently participating in HFP should follow instructions in Part A, while new vision plans should follow Part B. Current plans will receive a copy of the plan description that is included in the June 2004 HFP Handbook to review and update if necessary, making any corrections in red ink. On the verification form, please indicate if any changes were made to the plan description or comparative chart.

New plans must develop a plan description and answer questions on the comparative chart and language grid.

6. **Cultural and Linguistic Services Report (Enclosure 4)**. Please respond to the questions on the cultural and linguistic requirements. This report will serve two purposes: (a) fulfill the reporting requirement in the 2004-05 contract for currently participating plans; and (b) provide information on the C&L services of current and new plans proposing to serve HFP subscribers in the 2005-08 contract period.
7. **Contractor Certification Clauses (Enclosure 5)**. All plans submitting a proposal must complete and sign this certification form.
8. **Rate Development Template (Enclosure 6)**. All plans must complete the RDT to support the rates requested in Attachment IV. Your plan's actuary must sign Schedule 10 to certify that the experience for 2003-04 is accurate and that the assumptions used to project costs are reasonable. Mail a paper copy of the signed Schedule 10 to Stuart Busby, Financial Operations Officer, MRMIB, 1000 G Street, Suite 450, Sacramento, CA 95814. Send an electronic version of the complete RDT via e-mail to [sbusby@mrrib.ca.gov](mailto:sbusby@mrrib.ca.gov). All documents must be received by 5 p.m. January 6, 2005.

If you have any questions regarding these submissions, please call Joyce Iseri at (916) 324-4695 or e-mail [jiseri@mrrib.ca.gov](mailto:jiseri@mrrib.ca.gov).

## **Enclosures**

1. HFP Model Contract
  - STD 213 cover sheet
  - Exhibit A – Scope of Work
  - Exhibit B – Budget Detail and Payment Provisions
  - Exhibit C – General Terms and Conditions
  - Exhibit D – Special Terms and Conditions
  - Exhibit E – Federal Terms and Conditions
  - Attachment I – Geographic Area Grid
  - Attachment II – Translated Process Flowchart
  - Attachment III – Debarment Certification
  - Attachment IV – Confidential Rates of Payment
  - Attachment V – Evidence of Coverage/Certificate of Insurance
2. 2005-06 Vision Plan Fact Sheet and Network Capacity Chart
3. HFP Plan Description, Comparative Chart, and Language Grid
  - A. For Vision Plans with a 2004-05 HFP Contract
  - B. For Vision Plans Not Currently Participating in HFP
4. Cultural and Linguistics Services Report
5. Contractor Certification Clauses
6. Rate Development Template
7. Rural Health Demonstration Project Solicitation

**STANDARD AGREEMENT**

STD 213 (Rev 06/03)

**HFP VISION PLAN MODEL CONTRACT 2005-2008**

AGREEMENT NUMBER

**05MHF000**

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

Managed Risk Medical Insurance Board

CONTRACTOR'S NAME

2. The term of this Agreement is: July 1, 2005 through June 30, 2008

3. The estimated amount of this Agreement is: \$

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	XX page(s)
Exhibit B – Budget Detail and Payment Provisions	XX page(s)
Exhibit C – General Terms and Conditions	XX page(s)
Exhibit D – Special Terms and Conditions	XX page(s)
Exhibit E – Federal Terms and Conditions	XX page(s)
Attachment I – Geographic Area Grid	XX page(s)
Attachment II – Translated Process Flowchart	XX page(s)
Attachment III – Debarment Certification	XX page(s)
Attachment IV – Confidential Rates of Payment	XX page(s)
Attachment V – Evidence of Coverage/Certificate of Insurance	XX page(s)

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**STATE OF CALIFORNIA**

AGENCY NAME

Managed Risk Medical Insurance Board

BY (Authorized Signature)

PRINTED NAME AND TITLE OF PERSON SIGNING

Dennis Gilliam, Contracts Administrator

ADDRESS

1000 G. Street, Suite 450, Sacramento, CA 95814

**California Department of General  
Services Use Only**

☐ Exempt per:

**EXHIBIT A  
SCOPE OF WORK  
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## **EXHIBIT A SCOPE OF WORK**

### **I. INTRODUCTION**

#### **A. Act and Regulation**

This Agreement is in accord with and pursuant to Section 12693 et. seq., Part 6.2 of Division 2 of the California Insurance Code, which establishes the Healthy Families Program (hereinafter the Program). The Agreement is also in accord and pursuant to Title XXI of the Social Security Act and its implementing federal regulations, which establish the State Children's Health Insurance Program and provide authorization and federal funding for the Healthy Families Program, and Title 10, Chapter 5.8 of the California Code of Regulations (hereinafter Program Regulations). Terms and conditions used in the Program Regulations shall have the same and identical meanings in this Agreement.

#### **B. Specialized Health Care Service Plan**

This Agreement is entered into by the Contractor and the State for the purpose of providing vision coverage for subscribers determined to be eligible by the State. The method of delivery of the insured vision benefits shall be a specialized health care service plan. The Contractor agrees to provide and maintain the specialized health care service plan.

#### **C. Geographic Areas Covered**

1. The Contractor's participation in the Program is limited to enrollment of Program subscribers who reside in the Contractor's licensed service area accepted by the State. These geographic areas are described in Attachment I: Geographic Area Grid.
2. Geographic coverage in the Program may be changed only upon written approval by the State. The Contractor shall request such approval in writing at least sixty (60) days prior to the date the change will take place and shall include documentation from the state licensing agency that approved the changes to the Contractor's licensed service area.
3. If the change requested is to withdraw from an area due to a plan initiated licensure change or removal, the State shall cease new enrollment of subscribers in the area and the Contractor shall continue to maintain and provide services to subscribers in the area until the end of the benefit year.

4. If the change requested is to withdraw from an area due to a plan initiated licensure change or removal for a date that is not concurrent with the Program's open enrollment, then the Program will hold a special open enrollment pursuant to Exhibit B, Item I.C.

D. Changing Vision Care Providers

1. The Contractor's organization shall consist of the list of vision care providers to be provided to the State. These providers are listed in the Contractor's Provider Directory. The Contractor agrees to provide copies of the Provider Directory to the State upon request.
2. Vision care providers shall be deemed added to or deleted from the Contractor's Provider Directory as contracts between the Contractor and vision care providers begin or end. If such contract activity either opens a new zip code to the coverage contemplated by this Agreement or would materially impair the Contractor's capacity to perform under this Agreement, the Contractor shall give not less than sixty (60) days written notice to the State and shall implement the change only upon written approval by the State.

E. Term of Agreement

The term of this Agreement shall be from July 1, 2005 through June 30, 2008. At its sole discretion, the State may exercise the option to negotiate an Agreement for two subsequent one-year terms. The State shall exercise this option no later than sixty (60) days prior to the expiration date of this Agreement. Such extension shall be by an amendment to this Agreement. Reimbursement rates applicable to each subsequent one-year term shall be negotiated by the parties and included in the amendment. Renewal of the Agreement is contingent upon successful performance by the Contractor, as determined by the State at its sole discretion.

II. ENROLLMENT

A. Eligibility

1. All subscribers who are determined eligible by the State in accordance with the Act and Program regulations are eligible to enroll in a program vision plan. The State certifies that its enrollment process will not be prejudicial to the Contractor or other participating vision plans. The Contractor may observe the State's eligibility determination and enrollment process.

2. Upon notification by the State, the Contractor agrees to serve subscriber parents in the Program. Rates and other contractual terms shall be negotiated between the Contractor and the State prior to implementation and shall be implemented through an amendment to this Agreement.

B. Conditions of Enrollment

1. The Contractor agrees to enroll all subscribers referred by the State on the date specified by the State.
2. The State shall notify the applicant of enrollment with the Contractor and the effective date of coverage by the Contractor. Except for infants born to women enrolled in the AIM Program and as specified in Item II.B.3., the State shall notify the Contractor of new enrollees no later than ten (10) days prior to the subscriber's effective date of coverage.
3. The Contractor agrees that in special circumstances the State may provide less than ten days' notice prior to a subscriber's effective date of coverage. Special circumstances shall be at the discretion of the State, but Contractor shall be notified of the special circumstance.

C. Disenrollment

1. The Contractor agrees to disenroll subscribers when notified to do so by the State on the date specified by the State.
2. In no event shall any individual subscriber be entitled to the payment of any benefits with respect to vision care services rendered, supplies or drugs received or expense incurred following termination of coverage consistent with state and federal law. For the purposes of this Agreement, a charge shall be considered incurred on the date the service or supply giving rise to the charge is rendered or received.

D. Commencement of Coverage

Coverage shall commence for a subscriber at 12:01 a.m. on the day designated by the State as the effective date of coverage.

E. Provider Directory and Evidence of Coverage Booklet

1. Except for infants born to women enrolled in the AIM Program and subscribers enrolled with less than ten days' notice pursuant to



Item II.B.3., the Contractor shall, no later than the effective date of coverage, issue to applicants on behalf of subscribers a Provider Directory and Evidence of Coverage booklet setting forth a statement of the services and benefits to which the subscriber is entitled. The Contractor agrees that the materials sent to applicants on behalf of subscribers shall also include information to subscribers regarding how to access services. The information shall be in addition to the description provided in the Evidence of Coverage booklet. Examples of acceptable forms of information include but are not limited to: a brochure on How to Access Services, inclusion in a cover letter of the specific pages in the Evidence of Coverage booklet relating to accessing services, or a magnet listing the telephone number to call to schedule an appointment with a provider.

2. For infants born to women enrolled in the AIM Program with the Contractor and subscribers enrolled with less than ten days' notice pursuant to Item II.B.3., the Contractor shall provide the Provider Directory, Evidence of Coverage booklet and other materials described in Item II.E.1. to applicants on behalf of subscribers no later than ten (10) days from the date the Contractor is notified of the enrollment.
3.
  - a. In addition to the instances described in Items II.E.1. through II.E.2. above, the Contractor shall, by April 1 of each year, issue to each applicant on behalf of the subscribers enrolled in the Contractor's plan an updated Provider Directory, and either an updated Evidence of Coverage booklet setting forth a statement of the services and benefits to which the subscriber is entitled in the next benefit year, or a letter describing any changes to the benefits package which will go into effect at the beginning of the next benefit year.
  - b. In any year in which an updated Evidence of Coverage booklet is not issued by April 1, the Contractor shall issue an updated Evidence of Coverage booklet by June 15 to each applicant on behalf of the subscribers enrolled in the Contractor's plan.
  - c. The Contractor shall obtain written approval by the State prior to issuing the updated Evidence of Coverage booklet and the letter describing changes in the benefit package. The letter shall be submitted to the State by March 1 for review and approval.

- d. By July 1 of each year, the Contractor shall submit to the State five copies of the updated Evidence of Coverage booklet and one copy of the updated Provider Directory.
4. The Contractor's Provider Directory shall be updated and distributed by the Contractor to applicants on behalf of subscribers whenever there is a material change in the Contractor's provider network.
5. The Contractor's Provider Directory shall indicate the language capabilities of the providers' offices.
6. The Contractor shall provide a copy of the Contractor's Evidence of Coverage booklet and Provider Directory to any person requesting such materials, by telephone or in writing, within ten (10) days of the request.
7. Written informing material provided to subscribers shall be at a sixth grade reading level or at a level that the Contractor determines is appropriate for its subscribers and that is approved by the State, to the extent that compliance with this provision does not conflict with regulatory agency directives or other legal requirements.
8. Whenever the Contractor assigns a subscriber to a clinic, the Contractor shall notify the subscriber of his/her right to select a new primary care provider. If a subscriber selects a primary care optometrist who is affiliated with a clinic and the assignment of the subscriber is made to the clinic pursuant to Insurance Code section 12693.515, the Contractor shall inform the subscriber that he/she has been assigned to the clinic and has a right to select a new primary care optometrist immediately or at any future time, including such time as the selected primary care optometrist is no longer affiliated with the clinic. The Contractor shall promptly notify the subscriber of his/her rights after the assignment to the clinic has been made.

F. Right to Services

Possession of the Contractor's Identification Card confers no right to services or other benefits of the Program. To be entitled to services or benefits, the holder of the card must, in fact, be a subscriber enrolled in the Program.

G. Open Enrollment

The Contractor agrees to participate in an annual open enrollment process during which subscribers may transfer between vision plans.

H. Enrollment Data

The State and the Contractor agree to the following regarding the transmission, receipt, and maintenance of enrollment data.

1. The State shall transmit subscriber enrollment and disenrollment information, subscriber data updates, as well as transfer and reinstatement information, to the Contractor using Electronic Data Interchange (EDI) each business day. The Contractor must accept this information via EDI. The Contractor shall receive the transmitted information, data and file sent through the EDI in a manner and format that comply with HIPAA standards for electronic transactions and code sets.
2. The Contractor agrees to accept written confirmation of enrollments from the State plan liaisons, in the event system errors cause enrollment transactions to be delayed. The State agrees that the written confirmations are valid and acceptable alternative notifications to the Contractor until the failed or delayed enrollment transaction can be generated and sent to the Contractor.
3. The State shall develop an electronic bulletin board system, available 24 hours a day, excluding maintenance periods that usually will be held on Sundays, to provide the Contractor with enrollment reports.
4. The State shall establish and manage a plan liaison function for the purpose of enhancing the program operations through the sharing and coordination of information with the Contractor. Common or persistent problems or issues with the Contractor shall be communicated to the State. The State shall provide a separate telephone number for communication between the State and the Contractor.
5. The State shall transmit to the Contractor on a weekly basis (on Saturday or Sunday) a separate confirmation file. This shall consist of a record count of the different record types in the weekly enrollment file. The State shall also transmit to the Contractor enrollment and data files on a weekly basis (on Saturday or Sunday) reflecting the prior week's activity. The Contractor may use the data files to reconcile and validate weekly activity.

6. The State shall complete weekly transmissions by 4:00 a.m. Pacific Standard Time each Monday or, when Monday is an official State holiday, by 4:00 a.m. Pacific Standard Time Tuesday.
7. The State shall transmit the files described in Items II.H.1. and II.H.5. to the Contractor at no charge.
8. On a monthly basis, the State shall provide audit files for the Contractor, including, but not limited to, currently active subscribers. The audit files shall normally be provided by the third Monday of the month following the month for which data are being reported. If unexpected circumstances cause a delay in the provision of the audit files, the State shall notify the Contractor.
9. The State shall provide, at the Contractor's request, retransmission files of the data files set forth in Item 5 above within six months of the original transmissions. The Contractor agrees to pay for assembly and transmissions costs of the files in Item II.H.5. above at the rate of \$85 per hour or \$250 per report or file, whichever cost is greater.
10. The Contractor agrees to reconcile its enrollment data using the monthly data files sent by the State. The Contractor shall report any enrollment discrepancies to the State, in a format approved by the State, within sixty (60) days from the date the monthly audit file is provided to the Contractor. The State shall not be liable for any discrepancies reported by the Contractor after this 60-day period.
11. With respect to Item II.H.5. above, the Contractor shall utilize the State's plan liaison personnel as much as possible. There will be no charge for the services of the State's plan liaison.
12. Prior to commencing work requested by the Contractor under Items II.H.8. or II.H.9., the State shall provide a cost estimate to the Contractor.
13. The State shall provide EDI instructions and data mapping formats to the Contractor upon request of the Contractor. The State shall provide additional technical assistance, either by telephone or at the Contractor's site, to plans new to EDI data transmission as they establish electronic capability.
14. The State shall conduct at least one meeting for the period of this Agreement for the purpose of providing training and technical assistance to the Contractor regarding EDI and transmission of enrollment data.

15. The Contractor agrees either to use the Program's Family Member Number (FMN) in its data base for subscriber tracking purposes or to maintain a cross reference mechanism between the Contractor's unique identifier and the Program's unique identifier.

I. Network Information Service

1. The Contractor agrees to provide, to the best of the Contractor's ability, complete and accurate data on its provider network in an electronic format to be determined by the State. The information may be expanded by the State with no less than ninety (90) days notice by the State. The Contractor agrees to provide additional data elements, as requested by the State, to the best of its ability. The Contractor understands that the State intends to use information provided pursuant to this section to assist potential and current applicants and subscribers in selecting a vision plan, and that information provided to the State will be shared with the public.
2. The Contractor agrees to provide the provider network information to the State on a quarterly basis. The Contractor may update its provider network information on a monthly basis. The Contractor is required to provide data for the creation of the database to the State between the 11<sup>th</sup> and 25<sup>th</sup> of any submission month.
3. If the Contractor is unable to provide electronic files in the specified provider network formats, the State agrees to offer the Contractor data capture services at the rate of \$25 per hour.
4. If the Contractor so requests, the State agrees to offer the Contractor an unscheduled update to the provider network information at the rate of \$500 per update.

J. Traditional and Safety Net Providers

The Contractor agrees to establish, with traditional and safety net providers as described in Article 4. of the Program regulations, network membership and payment policies which are no less favorable than its policies with other providers.

K. Public Awareness

1. The Contractor agrees to engage in marketing efforts designed to increase public awareness of and enrollment in the Program. At a minimum these efforts shall include the following activities. The Contractor shall publicize its participation in the Program through its internal provider communications and through its general

membership communication publications. All public awareness efforts must be approved by the State before being released in public and must be in compliance with the requirements of the Knox-Keene Health Care Service Plan Act of 1975, including amendments and applicable regulations. In the event that the State does not notify the Contractor in writing, with the reasons the marketing materials are not approved, within sixty (60) days of receipt by the State, the materials shall be deemed approved.

2. The Contractor is prohibited from directly, indirectly, or through their agents, conducting in person, door to door, mail or telephone solicitation of applicants for enrollment.
3.
  - a. By September 1, 2005, the Contractor agrees to submit to the State for its approval, in a format determined by the State, a marketing plan that covers the term of this Agreement.
  - b. The marketing plan shall include the Contractor's mission statement, a written description of proposed marketing activities and locations, a listing of all proposed marketing materials to be used, and proposed locations for distribution, including ancillary components such as scripts. Upon request by the State, the Contractor shall submit other information, such as examples of previously approved marketing materials currently being used.
  - c. The marketing plan shall be in compliance with all applicable statutes and regulations, as well as the Program's marketing guidelines.
4. For the 2006-07 and 2007-08 benefit years, the Contractor agrees to submit to the State, in a format determined by the State, any proposed updates or amendments to its then-approved marketing plan.
5. If the Contractor chooses to provide application assistance, the plan must have an approved application assistance plan on file with the State.

### III. CUSTOMER SERVICE

#### A. Telephone Service for Subscribers

The Contractor agrees to provide a toll free telephone number for applicant and subscriber inquiries. This telephone service shall be

available on regular business days from the hours of 8:30 a.m. to 5:00 p.m. Pacific Time. The Contractor will provide staff bilingual in English and Spanish during all hours of telephone service. The Contractor shall have the capability to provide telephone services via a interpretive service for all limited English proficient (LEP) persons.

**B. Grievance Procedure (DMHC)**

Department of Managed Health Care Licensees:

1. The Contractor shall establish a grievance procedure to resolve issues arising between itself and subscribers or applicants acting on behalf of subscribers. The Contractor's process shall provide a written response to subscriber grievances and resolution of subscriber grievances as required by Contractor's licensing statute, the Knox-Keene Health Care Service Plan Act of 1975, as amended. These procedures shall be described in the Contractor's Evidence of Coverage booklet.
2. The Contractor shall report to the State by February 1 of each year, in a format determined by the State, the number and types of benefit grievances filed by subscribers and by applicants on behalf of subscribers in the previous calendar year in the Program. Benefit grievances include, but are not limited to, complaints about waiting time for appointments, timely assignment to a provider, issues related to cultural or linguistic sensitivity, difficulty with accessing specialists and the administration and delivery of vision benefits in the Program.

**OR**

**B. Grievance Procedure (DOI)**

Department of Insurance Licensees:

1. The Contractor shall establish a grievance procedure to resolve issues arising between itself and subscribers or applicants acting on behalf of subscribers. The Contractor's process shall include all features required for health care service plans pursuant to the Knox-Keene Health Care Service Plan Act of 1975, as amended, and shall provide a written response to subscriber grievances and resolution of subscriber grievances as required by the Knox-Keene Act. These procedures shall be described in the Contractor's Certificate of Insurance booklet.

2. The Contractor shall report to the State by February 1 of each year, in a format determined by the State, the number and types of benefit grievances filed by subscribers and by applicants on behalf of subscribers in the previous calendar year in the Program. Benefit grievances include, but are not limited to, complaints about waiting time for appointments, timely assignment to a provider, issues related to cultural or linguistic sensitivity, difficulty with accessing specialists and the administration and delivery of vision benefits in the Program.

C. Cultural and Linguistic Services

1. Linguistic Services

- a. The Contractor shall ensure compliance with Title 6 of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, and 45 C.F.R. Part 80) which prohibits recipients of federal financial assistance from discriminating against persons based on race, color or national origin. This is interpreted to mean that a limited English proficient (LEP) individual is entitled to equal access and participation in federally funded programs through the provision of bilingual services.
- b. The Contractor shall provide during the hours of 6:00 a.m. to 6:00 p.m. access to interpreter services for all LEP subscribers seeking vision services within the Contractor's network. The Contractor shall use face-to-face interpreter services, if feasible. If face-to-face interpreter services are not feasible, the Contractor may use telephone language lines for interpreter services. The Contractor shall develop and implement policies and procedures for ensuring access to interpreter services for all LEP subscribers, including, but not limited to, assessing the cultural and linguistic needs of its subscribers, training of staff on the policies and procedures, and monitoring its language assistance program. The Contractor's procedures must include ensuring compliance of any subcontracted providers with these requirements. Activities that the Contractor may undertake to assure compliance of subcontracted providers include, but are not limited to, employing telephone language services, competent bilingual or multilingual staff who can interpret for providers and subscribers, or and using competent contracted community-based organizations for interpreter services.



- c. When the need for an interpreter has been identified by the provider, or when requested by a subscriber the Contractor agrees to provide a competent interpreter for scheduled appointments. The Contractor shall avoid unreasonable delays in the delivery of vision care services to persons of limited English proficiency. The Contractor shall instruct the providers within its provider network to record the language needs of subscribers in the medical record.
- d. The Contractor agrees that subscribers shall not be required or encouraged to utilize family members or friends as interpreters. After being informed of his or her right to use free interpreter services provided by the Contractor, a subscriber may use an alternative interpreter of his or her choice at his or her cost. The Contractor shall encourage the use of qualified interpreters. The Contractor agrees that minors shall not be used as interpreters, except for only the most extraordinary circumstances, such as medical emergencies. The Contractor shall ensure that the request or refusal of language or interpreter services is documented in the medical record. Activities that the Contractor may undertake to ensure compliance of providers with this paragraph include, but are not limited to training its providers on the need to document a request or refusal of interpreter services; supplying providers and their staff with Request/Refusal forms for interpreter services; supply providers and their staff with chart labels identifying member language needs; implementing an incentive program to reward provider offices that affirmatively attempt to identify language needs of LEP members and record them on the medical charts; conducting reviews of providers' medical records during periodic audits and/or facility site reviews to check for documentation of the request for or refusal of interpreter services; and providing other technical assistance to providers.
- e. The Contractor shall inform subscribers of the availability of linguistic services. Information provided to subscribers regarding interpreter services shall include, but not be limited to, the availability of interpreter services to subscribers at no charge; the right not to use family members or friends as interpreters; the right to request an interpreter during discussions of medical information such as diagnoses of medical conditions and proposed treatment options, and explanations of plans of care or other discussions with procedures; the right to receive subscriber materials as

described in Item III.C.2. of this Exhibit; the right to file a complaint or grievance if linguistic needs are not met.

- f. The Contractor shall ensure that there is appropriate bilingual proficiency at medical and non-medical points of contact for providers who list their bilingual capabilities in provider directories. Medical points of contact include advice and urgent care telephone lines and face-to-face encounters with providers who provide medical or health care advice to members. Non-medical points of contact include member/customer service, plan or provider office reception, appointment services, and member orientation sessions. Activities that the Contractor may undertake to ensure the bilingual proficiency of interpreters at medical and non-medical points of contact include, but are not limited to: hiring staff who demonstrate conversational fluency as well as fluency in medical terminology; providing training that will enable staff to take, or assist with gathering, information for an accurate medical history with culturally related consent forms; providing dictionaries and glossaries for interpreters; providing provider staff with consistent interpreter training by experienced and properly trained interpreters; periodically assessing the language proficiency of the plan's identified medical and non-medical staff who have patient contact; conducting audits of provider sites to confirm ongoing language capabilities of providers and staff; and providing other technical assistance to providers.
- g. The Contractor shall identify and report the on-site linguistic capability of providers and provider office staff through the reporting required for the Network Information Service described in Item II.I. of this Exhibit.

2. Translation of Written Materials

- a. The Contractor agrees to translate written informing materials for subscriber that including, but not limited to, the Evidence of Coverage booklet; form letters; notice of action letters; consent forms; letters containing important information regarding participation in the dental plan; notices pertaining to the reduction, denial, modification, or termination of services; notices of the right to appeal such actions or that require a response from subscribers; notices advising LEP subscribers of the availability of free language assistance services; other outreach materials; and vision care reminders. Written informing materials for subscribers

shall be provided at a sixth grade reading level, or as determined appropriate through the Contractor's Cultural and Linguistic Needs Assessment and approved by the State, to the extent that compliance with this requirement does not conflict with regulatory agency directives or other legal requirements. Translation of these materials shall be in the following languages: Spanish, and any language representing the preferred mode of communication for at least five percent (5%) of the Contractor's enrollment or 3,000 subscribers of the Contractor's enrollment in the Program. If the Contractor serves both Medi-Cal and Program subscribers, it is encouraged, where practicable, to translate Program member materials into additional Medi-Cal threshold languages not required by the Program. The Contractor shall ensure that members who are unable to read the written materials that have been translated into other languages have an alternate form of access to the contents of these written materials. Activities that the Contractor may undertake to comply with this paragraph include, but are not limited to informing LEP subscribers, during the welcome call, of the plan's language assistance services; encouraging members to call the Contractor if they need help in understanding any of the Contractor's written materials; providing an oral translation of the material in a member's preferred language or arranging for this to be done by a competent interpreter service; and making the content of the written materials available in alternative formats such as Braille, CD, and audio cassette.

- b. The Contractor shall ensure the quality of the translated material. The Contractor is encouraged to use different qualified translators during sequential levels of the translation process to ensure accuracy, completeness and reliability of translated materials. The Contractor agrees that the translation process shall include the use of qualified translators for translating and editing, proofreading and professional review. Activities that the Contractor may undertake to ensure the quality of translated materials include, but are not limited to, contracting and using certified translation companies that follow a step-by-step translation process; performing back translation of material into its source language for comparison and accuracy by certified translation vendors other than the original translator; having an internal team review committee that includes a medical and/or legal "professional reviewer" who reviews translated materials for cultural appropriateness; and proof-reading and

editing of the document by a separate qualified translation editor/proof reader. The Contractor may use computer technology as part of the process for producing culturally and linguistically appropriate translation. Guidelines for developing and producing culturally and linguistically appropriate translations and definitions for the terms used are included in Attachment III, Translated Process Flowchart.

- c. By September 30 of each year, the Contractor shall submit to the State one copy of all materials provided to new subscribers pursuant to Item II.E. for each language in which the materials are translated.

3. Cultural and Linguistic Group Needs Assessment

- a. By June 30, 2007, the Contractor agrees to conduct and submit to the State a Cultural and Linguistic Needs Assessment to promote the provision and utilization of appropriate services for its diverse enrollee population. The Needs Assessment report shall include findings from the assessment described in Item III.C.3.b. below and a plan outlining the proposed services to be improved or implemented as a result of the assessment findings, with special attention to addressing cultural and linguistic barriers and reducing racial, ethnic, and language disparities.
- b. The Cultural and Linguistic Needs Assessment shall examine the demographic profile of the Contractor's Program enrollees by ethnicity and language to assess their linguistic and cultural needs. The assessment shall be conducted in accordance with guidelines issued by the State and shall examine the language preference of the Program enrollees and other data, including, but not limited to, the health risks, beliefs, and practices of the Contractor's enrollees. The Contractor may conduct the Needs Assessment individually or collaboratively with other plans participating in the Program.
- c. The Contractor shall assess the internal systems it has in place to address the cultural and linguistic needs of its Program enrollment population, including, but not limited to, assessing the Contractor's capacity to provide linguistically appropriate services. The Contractor shall review internal data including complaints and grievances, results from member surveys, diversity and language ability of staff as

reflective of the enrollee population, internal policies and procedures, education and training of staff and providers regarding cultural and linguistic competency issues, and, to the extent feasible, utilization and outcome data analyzed by race, ethnicity and primary language. This information shall be examined in relation to and compared with external data for benchmarking and trends.

- d. The Contractor agrees to provide an opportunity for representatives of subscribers enrolled in the Program to provide input on the Cultural and Linguistic Needs Assessment. The Contractor may use an existing member advisory committee or community advisory committee for the purposes of providing an opportunity for Program subscribers to provide input. The Contractor shall ensure that the committee used to obtain input from subscribers is representative of subscribers in the program and includes representatives from hard-to-reach populations. The Contractor shall also ensure that the committee holds regular meetings and is provided with adequate resources to support committee activities and support staff.

4. Operationalizing Cultural and Linguistic Competency

- a. The Contractor shall develop internal systems that meet the cultural and linguistic needs of the Contractor's subscribers in the Program. The Contractor shall provide initial and continuing training on cultural competency to staff and providers. Ongoing evaluation and feedback on cultural competency training shall include, but not be limited to, feedback from subscriber surveys, staff, providers, and encounter/claims data.
- b. Activities that the Contractor may undertake in developing its internal systems to meet the cultural and linguistic needs of the Contractor's subscribers include: incorporating cultural competency in the Contractor's mission; establishing and maintaining a process to evaluate and determine the need for special initiatives related to cultural competency; developing recruitment and retention initiatives to establish organization-wide staffing that is reflective and/or responsive to the needs of the community; assessing the cultural competence of plan providers on a regular basis; establishing a special office or designated staff to coordinate and facilitate the integration of cultural competency guidelines; providing an array of communication tools to

distribute information to staff relating to cultural competency issues (e.g., those tools generally used to distribute other operational policy-related issues); participating with government, community, and educational institutions in matters related to best practices in cultural competency in managed vision care to ensure that the Contractor maintains current information and an outside perspective in its policies; maintaining an information system capable of identifying and profiling cultural and linguistic specific patient data; and evaluating the effectiveness of strategies and programs in improving the health status of cultural-defined populations.

- c. The Contractor shall report, on or before December 10 of each year, the linguistically and culturally appropriate services provided and proposed to be provided to meet the needs of limited-English proficient applicants and subscribers in the Program. This report shall address types of services including, but not limited to, linguistically and culturally appropriate providers and clinics available, interpreters, marketing materials, information packets, translated written materials, and referrals to culturally and linguistically appropriate community services and programs, and training and education activities for providers. The Contractor shall also report its efforts to evaluate cultural and linguistic services and the outcomes of cultural and linguistic activities as part of the Contractor's ongoing quality improvement efforts. Reported information may include member complaints and grievances, results from membership satisfaction surveys, and utilization and other clinical data that may reveal health disparities as a result of cultural and linguistic barriers. The report shall also address activities undertaken by the Contractor to develop internal systems, as described in Item III.C.4.b. of this Exhibit. The Contractor shall also report on the status of the Contractor's cultural and linguistic activities developed from the Needs Assessment. The format for this report shall be determined by the State.

#### IV. COVERED SERVICES AND BENEFITS

##### A. Covered and Excluded Benefits

1. Only those benefits described in Article 3., Sections 2699.6721 and 2699.6723, of the Program regulations shall be covered benefits under the terms of this Agreement. Except as required by any provision of applicable law, those benefits excluded in Article 3. of

the Program regulations shall not be covered benefits. The Contractor shall set out the plan of coverage in an Evidence of Coverage booklet.

2. The parties understand that terms of coverage under this Agreement are set forth in the attached Evidence of Coverage booklet (Attachment V). In the case of conflicts, terms of coverage set forth in the Evidence of Coverage booklet shall be binding notwithstanding any provisions in this Agreement which are less favorable to the subscriber.
3. The Contractor shall make benefit and coverage determinations. All such determinations shall be subject to the Contractor's grievance procedures.

B. California Children's Services (CCS)

1. Once CCS eligibility is determined as defined in Title 22, CCR, Section 41518, medically necessary vision services that are authorized by the CCS Program to treat a subscriber under the age of nineteen (19) for CCS eligible conditions as per Section 41800 et seq., are not covered under this Agreement. The Contractor shall identify subscribers under the age of nineteen (19) with suspected CCS eligible vision conditions and shall refer them to the local CCS office or primary care provider (PCP) for determination of medical eligibility by the CCS Program. Upon referral, the Contractor shall provide the applicant on behalf of the subscriber under the age of nineteen (19) with a California Children's Services one page (double sided) informational flyer. The State agrees to provide the Contractor with camera ready copies of the California Children's Services informational flyer.
2. The Contractor shall implement written policies and procedures for identifying and referring subscriber under the age of nineteen (19) with suspected CCS eligible vision conditions to the local CCS Program or the PCP. The policies and procedures shall include, but not be limited to:
  - a. Procedures for ensuring that the Contractor's providers are informed of the procedures to make a referral to the local CCS program.
  - b. Policies and operational controls that ensure that the Contractor's providers document referral to CCS by adding the providers' notes that indicate reasons for referral to the CCS program.

- c. Procedures that provide for continuity of care between the Contractor's providers and CCS providers.
3. The Contractor shall report to the State the number of subscribers who were referred to the local CCS Program. The report is due by July 31 of each year. The format for the report shall be determined by the State.
4. The Contractor shall consult and coordinate CCS referral activities with the local CCS Program in accordance with the required Memorandum of Understanding (MOU) between the Contractor and the local CCS Program.
5. Until eligibility for the CCS Program is established, the Contractor shall continue to be responsible for arranging for the delivery of all covered medically necessary vision care and case management services for a subscriber referred to CCS. Services which are provided by a CCS paneled provider or approved facility on the date of referral, or afterwards, and which are authorized by the CCS program for a CCS eligible child, shall be paid through the CCS Program at the CCS reimbursement rate retroactively to the provider of services.
6. Once eligibility for the CCS Program is established for a subscriber under the age of nineteen (19) the Contractor shall continue to provide primary vision care unrelated to the CCS eligible condition and shall ensure the coordination of services between its primary care providers, the CCS specialty providers and the local CCS Program.
7. ***(For plans not participating in the Program prior to July 1, 2005)*** By July 1, 2005, the Contractor agrees to develop and submit to the State a signed Memorandum of Understanding (MOU) with the local CCS program in each county in which the Contractor participates in the Program. The MOU shall include the policies and procedures described in Item IV.B.2. The Contractor is willing to sign the draft MOU developed by the State. If the Contractor is unable on July 1, 2005 to submit an MOU signed by both the Contractor and local CCS program, the Contractor agrees to report, in writing, to the State on the first day of each month on the Contractor's progress in obtaining a signed MOU.



C. Other Public Linkages

The Contractor shall, to the extent feasible, create viable protocols for screening and referring subscribers needing supplemental services outside of the scope of benefits described in Article 3. of the Program regulations to public programs providing such supplemental services for which they may be eligible, as well as for coordination of care between the Contractor and the public programs. Public programs may include but not be limited to: regional centers, programs administered by the Department of Alcohol and Drug Programs, Women, Infants and Children Supplemental Food Program (WIC), lead poisoning prevention and programs administered by local education agencies.

D. Pre-existing Condition Coverage Exclusion Prohibition

No pre-existing condition exclusion period or post-enrollment waiting period shall be required of subscribers.

E. Exercise of Cost Control

The Contractor shall enforce all contractual agreements for price and administer all existing utilization control mechanisms for the purpose of containing and reducing costs.

F. Copayments

1. The Contractor shall impose copayments for subscribers as described in Article 3. of the Program regulations.
2. The Contractor shall work with its provider networks to provide for extended payment plans for subscribers utilizing a significant number of vision services for which copayments are required. When feasible, the Contractor shall instruct its provider network to offer extended payment plans whenever a family's copayments exceed twenty-five dollars (\$25) in one month.
3. The Contractor shall report the copayments paid by a list of subscribers provided by the State in the previous benefit year by October 1 of each year. The format for the report shall be determined by the State.
4. The Contractor shall implement an administrative process that assures that all copayments are waived for American Indian and Alaska Native subscribers in the Program, if the State identifies such subscribers as qualifying for the waiver.

G. Coordination of Benefits

The Contractor agrees to coordinate benefits with other group vision plans or insurance policies for subscribers in the Program. The Contractor agrees to work with other plans or insurers to provide no more than one-hundred percent (100%) of subscribers' covered vision expenses. The Contractor shall coordinate such that coverage provided pursuant to this Agreement is secondary to all other coverage except for Medicaid (Medi-Cal).

H. Acts of Third Parties

If a subscriber is injured through the wrongful act or omission of another person, the Contractor shall provide the benefits of this Agreement and the subscriber or applicant on behalf of a subscriber shall be deemed:

1. To have agreed to reimburse the Contractor to the extent of the reasonable value of services allowed by Civil Code Section 3040, immediately upon collection of damages by him or her, whether by action at law, settlement or otherwise, provided that the subscriber is made whole for all other damages resulting from the wrongful act or omission before the Contractor is entitled to reimbursement; and
2. To have provided the Contractor with a lien to the extent of the reasonable value of services provided by the Contractor and allowable under Civil Code section 3040, provided that the subscriber is made whole for all other damages resulting from the wrongful act or omission before the Contractor is entitled to reimbursement. The lien may be filed with the person whose act caused the injuries, his or her agent, or the court.

I. Workers' Compensation Insurance

If, pursuant to any Workers' Compensation or Employer's Liability Law or other legislation of similar purpose or import, a third party is responsible for all or part of the cost of vision services provided by the Contractor, then the Contractor shall provide the benefits of this Agreement and the subscriber shall be deemed to have provided the Contractor with a lien on such Workers' Compensation medical benefits to the extent of the reasonable value of the services provided by the Contractor. The lien may be filed with the responsible third party, his or her agency, or the court. For purposes of this subsection, reasonable value shall be determined to be the usual, customary or reasonable charge for services in the geographic area where the services are rendered.

J. Use of Subcontractors

The Contractor may, in its discretion, use the services of subcontractors to recover on the liens provided for under Items IV.H. and IV.I. of this Exhibit. The subcontractor's compensation may be paid out of any lien recoveries obtained. The State understands and agrees that lien recoveries are chargeable with a prorata contribution toward the injured person's attorney fees under the Common Fund Doctrine. The Contractor may compromise liens as may be reasonable and appropriately consistent with normal business practices.

K. Interpretation of Coverage

The Contractor, in its Evidence of Coverage booklet (Attachment V), shall provide clear and complete notice of terms of coverage to subscribers. In the event of ambiguity regarding terms of coverage, the Contractor shall interpret those terms in the interest of the subscriber. In the event of ambiguity regarding an exclusion from coverage, the Contractor shall interpret the language of the exclusion in the interest of the subscriber. Nothing in this provision shall supersede the common law rules for interpretation of insurance contracts.

V. DATA REPORTING

A. Electronic Data Transfer

The Contractor agrees to establish and maintain, in a manner and format to be specified by the State and agreed to by the Contractor, the capability to transmit the data specified in Item II.I. to the State using electronic media. The transmission shall be in a manner and form that comply with HIPAA standards for electronic transactions and code sets.

B. Claims and Encounter Data

The Contractor understands that the State intends to collect claims and encounter data from the Contractor during the 2006-07 contract year.

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**EXHIBIT B**  
**BUDGET DETAIL AND PAYMENT PROVISIONS**

**I. PAYMENT PROVISIONS**

The Contractor agrees to arrange for the provision of vision benefits and case management services for subscribers in the Program as described in Exhibit A, Section IV. of this Agreement.

**A. Fees Provided to Contractor**

1. As specified in Items I.B. of this Exhibit, the State shall pay the Contractor a flat fee per month per subscriber child for all services received by the subscriber child. These fees are set forth in Attachment V, Confidential Rates of Payment.
2. In cases of subscriber eligibility and enrollment appeals, which results in liability of vision care costs by the State, the Contractor shall pay the provider for services delivered within 30 days following notification by the State of the appeal findings and shall claim reimbursement from the State within 45 days after notification by the State of the appeal findings. The State shall pay the Contractor the actual costs paid by the Contractor for services received. The Contractor shall reimburse and claim for such services at any discounted rate that the Contractor may have in place for the provider in the program and that is accepted by the provider as payment in full. Such payments may only be made by the Contractor and paid by the State when the Contractor receives prior written direction from the State.

**B. Payment Schedule**

1. For the first month or partial month of a subscriber's coverage the State agrees to pay one hundred percent (100%) of the fee described in Item I.A. of this Exhibit for subscribers with effective dates of coverage on the first (1st) through fifteenth (15th) day of the month. No fee shall be paid for the first partial month of coverage for subscribers whose coverage begins on the sixteenth (16th) through thirty-first (31st) day of the month. The State agrees to pay the fee within fifteen (15) days after the completion of the month of coverage.
2. For all months of coverage after the first month in which a subscriber's coverage becomes effective, the State agrees to pay the fee described in Item I.A. of this Exhibit. The State agrees to

pay the fee within fifteen (15) days after the completion of the month of coverage.

C. Special Enrollment Materials Cost

In any event of an early termination or the removal of coverage in a service area by the Contractor which requires a special open enrollment, the Contractor agrees to pay the State nine dollars (\$9.00) per applicant for subscribers enrolled in the Contractor's plan who must be moved to another participating plan.

II. FISCAL CONTROL PROVISIONS

A. Minimum Loss Ratio

1. The Contractor agrees that administrative costs shall be reasonable. The Contractor agrees that once the Contractor's plan has a minimum of 1,000 enrolled subscribers per month for six or more months of a benefit year, the minimum loss ratio for services provided to all subscribers pursuant to this Agreement shall be 79%. For reporting purposes, the Contractor's loss ratio shall be calculated in aggregate for all subscribers, using the following formula:

a/b

Where "a" is :Total covered benefit and service costs of Contractor including incurred but not reported claim completion costs minus subscriber copayment requirements and minus amounts recovered pursuant to Exhibit A, Item IV.G., IV.H., and IV.I. of this Agreement, and

where "b" is : Total premiums received by the Contractor.

2. The Contractor shall report the previous benefit year's loss ratio by January 1 of each year.
3. The Contractor understands that the State may make the results of the loss ratio report listed in 2. above available to the public.

B. Payment Limitation

1. Only subscribers for whom a premium is paid by the State to the Contractor are entitled to vision services and benefits provided hereunder and only for services rendered or supplies received during the period for which the subscriber is enrolled.

2. The Contractor agrees to reconcile, on at least a monthly basis, eligibility data provided by the State with the Contractor's data on persons for whom claims, capitation payments, and other payments related to services and benefits were made in the Program. The Contractor shall make any necessary adjustments indicated by the reconciliation to ensure compliance with Item II.B.1. The Contractor shall maintain records of these reconciliations in accordance with Exhibit D, Item II.C. of this Agreement. The Contractor shall ensure that only the costs of services and benefits covered in the Program are included in the numerator of the loss ratio calculation set forth in Item II.A.
3. The State shall not be liable for any reconciliation discrepancies reported by the Contractor more than sixty (60) days from the date the monthly audit file is provided to the Contractor, pursuant to Exhibit A, Item II.H.10.

C. Availability of Federal Funds

1. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of Congressional appropriation of funds, to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purposes of this Program for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms or funding of this Agreement in any manner.
3. The parties mutually agree that, if Congress does not appropriate sufficient funds for the Program, this Agreement shall be amended to reflect any reduction in funds.
4. The State has the option to invalidate this Agreement under the 30 day termination clause in Exhibit D, Item I.B. or to amend the Agreement to reflect any reduction in funds.

D. Prior to Fiscal Year/Crossing Fiscal Years

It is mutually agreed between the parties that this Agreement may have been signed and executed prior to the start of the 2005-06 State Fiscal Year, before ascertaining the availability of funds for the 2005-06 State Fiscal Year. This Agreement has also been written with a term that crosses State Fiscal Years, and therefore before ascertaining the availability of legislative appropriation of funds for the 2006-07 and 2007-08 State Fiscal Years. This Agreement is valid and enforceable only if sufficient funds are made available through the 2006-07 and 2007-08 State Budgets for the purposes of this Program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted in statute by the State Legislature which may affect the provision, term or funding of this Agreement in any manner. It is mutually agreed that if the State Legislature does not appropriate sufficient funds for this Program, the Agreement shall be amended to reflect any reduction in funds and enrollment shall be curtailed by the State proportionately.

E. Healthy Families Fund Encumbrance

There is no specific maximum amount assigned to this Agreement. Rather, the Contractor is paid through a general encumbrance from the Healthy Families Fund apportioned to the Contractor on an as needed basis. Payments under this Agreement are limited to the provisions of Items I.A. and I.B. of this Exhibit.

F. Fiscal Solvency (DMHC)

The Contractor agrees that it shall at all times maintain the reserves required under the Knox-Keene Health Care Service Plan Act of 1975, as amended, and the regulations promulgated thereunder by the Department of Managed Health Care, including the Tangible Net Equity regulations.

Evidence of above solvency shall be made available to the State upon request.

**OR**

F. Fiscal Solvency (DOI)

The Contractor agrees that it shall at all times comply with all solvency requirements of its licensing statute and regulations and shall at all times maintain one of the following:

- a. A rating of A+ under Best's insurance rating, or



- b. A surplus capable of paying one month of the Contractor's paid claims. The amount of one month of the Contractor's paid claims shall be established by averaging claims paid in each of the previous twelve (12) months.

Evidence of above solvency shall be made available to the State upon request.

G. Federally Funded Program (Medicare and Medicaid)

The Contractor shall remain in good standing with the State Department of Health Services for services provided to Medi-Cal subscribers with the federal Centers for Medicare and Medicaid Services for services provided to Medi-Cal or Medicare subscribers, and with the Office of the Inspector General of the Department of Health and Human Services. On request, the Contractor agrees to provide the State immediately with copies of all correspondence received from the Department of Health Services, the Centers for Medicare and Medicaid Services, and the Office of the Inspector General of the Department of Health and Human Services which pertains to the Contractor's standing with the respective departments. In addition, the Contractor shall immediately notify the State of any investigations in which there are allegations related to fraud, including but not limited to: 1) the receipt of an administrative subpoena from any state or federal agency, unless the Contractor is advised that it is not the target or subject of the investigation; 2) the receipt of a grand jury subpoena from any state or federal court, unless the contractor is advised that it is not the target or subject of the investigation; 3) the execution of a search and seizure warrant at any of the contractor's offices or locations related to such investigations; and 4) the filing of any charges against the contractor in any state or federal court related to such investigations. The Contractor shall immediately notify the State if the Contractor receives a letter of pending sanction or formal corrective action (such as corrective action addressing audit findings or systemic problems) from the State Department of Health Services, the Centers for Medicare and Medicaid Services, or the Office of the Inspector General of the Department of Health and Human Services.

H. Licensing Sanction Notifications (DMHC)

The Contractor agrees that it shall remain in good standing with the Department of Managed Health Care. On request, the Contractor agrees to provide the State with copies of all correspondence from the Department of Managed Health Care that pertains to the Contractor's standing with its regulatory entity. The Contractor shall immediately notify the State if the Contractor receives a letter of pending sanction or formal

corrective action (such as corrective action addressing audit findings or systemic problems) from the Department of Managed Health Care.

**OR**

H. Licensing Sanction Notifications (DOI)

The Contractor agrees that it shall remain in good standing with the Department of Insurance. The Contractor agrees to provide the State with copies of all correspondence from the Department of Insurance that pertains to the Contractor's standing with their regulatory entity. The Contractor shall immediately notify the State if the Contractor receives a letter of pending significant sanction or corrective action from the Department of Insurance.

I. Contractor Performance Standards, Liquidated Damages And Remedy For Non-Performance

1. The State shall monitor the Contractor's compliance with the terms of this Agreement. The State shall attempt to work with the Contractor to assist the Contractor in fulfilling its obligations under this Agreement.
2. If the State finds the Contractor to be out of compliance with the terms of the Agreement, the State may, after thirty (30) days written notice to the Contractor and an opportunity to cure such non-compliance or default within that thirty (30) day period, suspend thereafter enrollment of eligible subscribers in the Contractor's vision plan. Notice provided to the Contractor pursuant to this section shall include a description of those actions/standards the Contractor must achieve for enrollment to be resumed. Resumption of enrollment is at the discretion of the State.
3. The State and the Contractor agree that the following sections of this Agreement contain objective performance standards to be met by the Contractor, which shall be monitored by the State:
  - a. Exhibit A, Item II.E. Provider Directory and Evidence of Coverage Booklet
  - b. Exhibit A, Item III.A. Telephone Services for Subscribers
  - c. Exhibit A, Item III.B.2. Grievance Report
  - d. Exhibit A, Item III.C.4.c. Cultural and Linguistic Services Report

- e. Exhibit A, Item IV.B.3. California Children's Services Report
  - f. Exhibit B, Item II.A. Minimum Loss Ratio Report
  - g. Exhibit B, Item II.B.2. Payment Limitation Reconciliation
- 4. If, in the State's view, the Contractor has not fulfilled its contractual responsibilities with regard to one or more of the items identified in 3. above, the State shall notify the Contractor in writing of the Contractor's lack of performance. If the Contractor does not improve performance to an acceptable level within 5 business days after receipt of such notice, the State may impose liquidated damages on the Contractor of no more than five percent (5%) per day of the Contractor's average daily fee per day beginning on the sixth business day following notification. If the Contractor's performance does not improve within 15 additional business days from the first day liquidated damages were imposed, the State after written notice to the Contractor, may increase the liquidated damages to ten percent (10%) per day of the Contractor's average daily fee per day beginning on the 16th business day following the receipt of notification of non-performance until the Contractor is in compliance with the Contract. The Contractor's average daily fee is calculated by taking the Contractor's total monthly premium and dividing by the number of calendar days in that particular month. In no event shall the total amount of liquidated damages imposed for the items identified in 3. above exceed ten percent (10%) per day.
  - 5. All liquidated damages must be paid to the State within ten (10) calendar days of receipt of an assessment letter.
  - 6. If the State determines that the Contractor's non-performance was caused in whole or in part by the State, the State shall reduce the damages proportionately.
  - 7. The parties agree that the damages for failure to provide the deliverables and/or meet the contractual performance standards described herein are not susceptible to exact calculation in advance and that the liquidated damage amounts specified in this Agreement represent an agreed estimate of what the future damages would be. These liquidated damages are not intended to be penalties.

J. Licensure (DMHC)

Department of Managed Health Care Licensees:

The Contractor assures the State that it has a license to provide services under this Agreement from its regulatory agency, the Department of Managed Health Care.

**OR**

J. Licensure (DOI)

Department of Insurance Licensees:

The Contractor assures the State that it has a license to provide services under this Agreement from its regulatory agency, the Department of Insurance.

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## **EXHIBIT C GENERAL TERMS AND CONDITIONS**

### **I. APPROVAL**

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. The Contractor may not commence performance until such approval has been obtained.

### **II. AMENDMENT**

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

### **III. ASSIGNMENT**

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

### **IV. AUDIT**

Contractor agrees that the awarding department ("the State") and the Bureau of State Audits, or their designated representatives, shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include the same right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

### **V. INDEMNIFICATION**

Contractor agrees to indemnify, defend and save harmless the State, its officers, trustees, agents and employees (the "indemnities") from any and all claims, losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which (i) arise out of, are due to, or are alleged to arise out of or be due to, or are alleged to arise out of or be due to, a breach by the Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement, or (ii) are caused by or result from or are alleged to arise out of or result from, the Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence or reckless disregard of its duties under this

Agreement, or (iii) accrue or result, or are alleged to accrue or result, to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

The Contractor shall also indemnify, defend and hold harmless the indemnitees from and against any and all losses (as described in paragraph one of this Item) that result or are alleged to result from the failure to provide, or the negligent provision of, medical or other services or supplies by the Contractor, its independent subcontractors or agents. The State agrees to notify the Contractor in writing promptly of any such claims and to assist the Contractor (at Contractor's expense) in the defense of same.

If and to the extent that the Contractor has knowledge of a claim that it believes may develop into an action that would be subject to this Agreement, the Contractor shall promptly notify the State of the claim.

VI. DISPUTES

Contractor shall continue with the responsibilities under this Agreement during any dispute, unless directed otherwise by the State in writing.

VII. TERMINATION FOR CAUSE

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. Such right of termination shall be without prejudice to any other remedies available to the State. Upon receipt of any notice terminating this Agreement, the Contractor shall immediately discontinue all activities affected, unless the notice directs otherwise, and the State may proceed with the work in any manner deemed proper by the State. In such event, the State shall pay the Contractor only the reasonable value of the services rendered, and all costs to the State shall be deducted from any sum due the Contractor. The State may, at its sole discretion, offer an opportunity to cure any breach prior to terminating for default.

VIII. INDEPENDENT CONTRACTOR

The Contractor, and the agents and employees of the Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State except for purposes of Civil Code Section 1798.24.

IX. RECYCLING CERTIFICATION

The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

X. NON-DISCRIMINATION CLAUSE

During the performance of this Agreement, Contractor and its subcontractors, as well as their agents and employees, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (over 40), marital status, and use of family and medical care leave pursuant to state or federal law. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors, as well as their agents and employees, shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Contractor and subcontractors, as well as their agents and employees, shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.



## XI. CONTRACTOR CERTIFICATION CLAUSES

### A. Statement of Compliance

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

### B. Drug-free Workplace Requirements.

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
  - a. the dangers of drug abuse in the workplace;
  - b. the person's or organization's policy of maintaining a drug-free workplace;
  - c. any available counseling, rehabilitation and employee assistance programs; and,
  - d. penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed Agreement will:
  - a. receive a copy of the company's drug-free workplace policy statement; and
  - b. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the State determines that any of the following has occurred: (1) the

Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

C. National Labor Relations Board Certification

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

D. Union Organizing

Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.

E. Expatriate Corporations

The Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

F. Sweat-free Code of Conduct

1. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweat-free Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

2. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

G. Domestic Partners

Commencing on July 1, 2004, the Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1, 2004 and prior to January 1, 2007, a contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

H. Doing Business with the State of California

1. Conflict of interest

Contractor acknowledges the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement the Contractor shall contact the State immediately for clarification.

a. Current State Employees (PCC 10410):

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b. Former State Employees (PCC 10411):

- (1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged

in any of the negotiations, transaction, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

(2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

- c. If Contractor violates any provisions of the above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420).
- d. Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e)).

2. Labor Code/Workers' Compensation.

Contractor acknowledges the provisions of law which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor agrees to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700.)

3. Americans with Disabilities Act

Contractor certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. Contractor Name Change

Contractor acknowledges that an amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. Corporate Qualifications to do Business in California

- a. Contractor acknowledges that, when agreements are to be performed in the state by corporations, the State will verify that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. Resolution

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. Air or Water Pollution Violation

Contractor acknowledges that, under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation or provisions of federal law relating to air or water pollution.

8. Payee Data Record Form Std 204

Contractor acknowledges that this form must be completed by all contractors that are not another state agency or other government entity.

XII. TIMELINESS

Time is of the essence in this Agreement.

XIII. COMPENSATION

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

XIV. GOVERNING LAW.

This Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in the state or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

XV. ANTITRUST CLAIMS

The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes sections set out below.

A. The Government Code Chapter on Antitrust claims contains the following definitions:

1. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
2. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

B. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of

the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

- C. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- D. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

#### XVI. CHILD SUPPORT COMPLIANCE ACT

In accordance with the Child Support Compliance Act,

- A. The contractor acknowledges the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The Contractor certifies that it is, to the best of its knowledge, fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

#### XVII. UNENFORCEABLE PROVISION

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

## XVIII. UNION ACTIVITIES

By signing this Agreement, Contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this Agreement and agrees to the following:

- A. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
- B. No state funds received under this agreement will be used to assist, promote or deter union organizing.
- C. Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.
- D. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.
- E. Contractor will be liable to the State for the amount of any funds expended in violation of the requirements of Government Code section 16645.4, plus a civil penalty equal to twice the amount of those funds.



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## **EXHIBIT D SPECIAL TERMS AND CONDITIONS**

### **I. TERMINATION**

#### **A. Annual Termination**

Contractor may terminate this Agreement on an annual basis without cause by giving written notice of termination to the State no later than five months before the beginning of the next plan year for the Program. The effective date of any termination pursuant to this section shall be the first day of the next plan year.

#### **B. Termination for Convenience**

1. In addition to the State's right to terminate pursuant to Exhibit C, Section VII and as otherwise provided in this Agreement., the State may terminate this Agreement without cause by giving written notice of termination to the Contractor not less than thirty (30) calendar days prior to the effective date of the termination. In the event the State terminates all or a portion of this Agreement pursuant to this Item I.B., it is understood that the State shall pay the Contractor for satisfactory services rendered prior to the termination, but not in excess of the amount payable pursuant to the terms of this Agreement or in excess of the maximum contract amount.
2. If, after notice of termination for failure to fulfill contract obligations pursuant to Exhibit C, Item VII, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the State pursuant to this Item I.B.

#### **C. Termination for Insolvency**

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing.

D. Responsibilities of the Parties

Upon notice of termination on any basis under this Agreement the responsibilities of the parties shall be as follows:

1. Upon receipt of any notice terminating this Agreement, the Contractor shall immediately discontinue all services affected, unless the notice directs otherwise.
2. New enrollments by the Contractor shall cease on a date to be determined by the State.

E. Assurances Upon Termination

Upon the termination of this Agreement, the Contractor shall cooperate fully with the State in order to effect an orderly transition of subscribers to another vision care plan. This cooperation shall include, without limitation, attending such post-termination meetings as shall be reasonably requested by the State.

II. AFFIRMATIVE COVENANTS

A. Notice of Proceedings

The Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving the Contractor, or any Key Personnel, commenced by any regulatory agency which proceeding is not conducted in the ordinary course of the Contractor's business.

B. Maintenance of Insurance

1. The Contractor warrants that it carries adequate directors and officers liability insurance, workers' compensation insurance, employer liability insurance and other insurance as specified by the State, and that it shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. All insurance shall be adequate to provide coverage against losses and liabilities attributable to the acts or omissions of the Contractor in performance of this Agreement and to otherwise protect and maintain the resources necessary to fulfill the Contractor's obligations under this Agreement. The Contractor shall maintain additional insurance coverage for business interruption and data processing coverage arising from significant system problems. Satisfactory evidence of all coverage shall be made available to the State upon request.

2. Contractor warrants that Contractor's participating ophthalmologists and optometrists are insured for malpractice, either independently or through Contractor, in a dollar amount sufficient for their practice. Contractor's participating providers also have liability insurance in a dollar amount appropriate for their business practice.

C. Books and Records

The Contractor shall keep accurate books and records connected with the performance of this Agreement during and for three years after the term of this Agreement, or until the final payment under this Agreement, whichever is later. Such books and records shall be kept in a secure location at the Contractor's office(s). If an audit, review, examination or evaluation is commenced during the time specified herein for the maintenance of books and records, Contractor shall continue to maintain all relevant books and records until the audit, review, examination or evaluation is completed. The Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained for the same periods.

D. Quality and Financial Audits

1. During and for three years after the term of this Agreement, or until the final payment under this Agreement, whichever is later, the Contractor agrees that the State, its authorized representatives, and such consultants and specialists as needed, as well as the State Auditor, or their representatives, consultants, and specialists shall have the right to review, obtain, and copy all records pertaining to performance of the contract. The Contractor agrees to provide the applicable state agencies or their representatives, consultants, and specialists with any requested information connected with performance of this Agreement and shall permit the agencies or their representatives, consultants, and specialists access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation. If an audit, review, examination or evaluation is commenced during the time specified herein, Contractor shall continue to provide access as specified above until the audit, review, examination or evaluation is completed.
2. The Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code Section 10110.10.

3. The Contractor shall submit to the State a copy of its annual Certified Public Accountant (CPA) report (balance sheet, income statement, cash flow statement and related notes to the financial statements, as well as the management letter). The Contractor shall submit the CPA report to the State within thirty (30) calendar days of its receipt. The Contractor shall also report to the State as applicable, its corrective action plan in any audit findings specifically related to the duties and responsibilities under this agreement. The Contractor agrees to submit quarterly unaudited financial statements (balance sheet and income statements) to the State, if such statements are requested by the State.
4. The State may make periodic audits and reviews, examinations or evaluations at its expense regarding the Contractor's performance under this Agreement, including but not limited to the quality of services rendered pursuant to this Agreement. The State may also audit and examine records and accounts, which pertain, directly or indirectly, to the Contractor (including its parent corporation). The Contractor shall cooperate fully with such auditors; however, such audit shall not interfere with the administration of the Contract, or with the administration of the Contractor.
5. Audits, reviews, examinations or evaluations may be undertaken directly by the State, or by the Office of the State Auditor, or by third parties engaged by the State, including accountants, consultants and physicians. The Contractor shall cooperate fully with the State or any such third party in connection with such audit, review, examination or evaluation.
6. All adjustments, payments and/or reimbursements determined to be necessary by any audit, review, examination or evaluation shall be made promptly by the appropriate party.
7. The Contractor shall have the opportunity, prior to the release of the audit, review, examination, or evaluation report, to review the draft and to include in the report its responses to issues raised by the report.

E. Contractor Cooperation

The State has agreements with an administrative vendor, other participating health plans and other contractors and consultants for the purpose of implementing and maintaining the Program. The Contractor shall cooperate fully, and in a timely manner with the State and any of the

State's other contractors involved in implementing and maintaining the Program.

F. Copyright Protections

The Contractor agrees to grant to the State a royalty-free, nonexclusive and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of and authorize others to do so, all data, electronic data processing software that is specifically developed exclusively for this contract, and all Program forms and public informational materials, which are covered by copyright and were specifically developed by the Contractor for the implementation of this Agreement. Such license shall be effective only to the extent that the Contractor has the right to grant such license without becoming liable to pay compensation to others because of such grant.

G. Subcontractors

The Contractor shall obtain prior written approval from the state before subcontracting any of the services delivered under this Agreement unless approval of the subcontract is included in this Agreement. Any subcontracting shall be subject to applicable provisions of this contract, and all applicable State and Federal regulations. The Contractor shall be held responsible by the State for the performance of any subcontractor.

H. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, the Contractor and the State shall each designate specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or if mailed, three (3) days after the date of mailing; unless by express mail, facsimile telecopy, or telegraph, then upon the date of confirmed receipt, to the following representatives:

For the State:

Managed Risk Medical Insurance Board  
Attn: Joyce Iseri, Chief Deputy Director  
1000 G Street, Suite 450  
Sacramento, CA 95814  
Telephone No.: (916) 324-4695  
Fax No. (916) 324-4878

For Contractor:  
Health Plan  
Attn: Name

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Telephone No. (\*\*\*) \*\*\*-\*\*\*

Fax No. (\*\*\*) \*\*\*-\*\*\*\*

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

I. Permits and Licenses

The Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

J. Compliance with Applicable Law

The Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county law, including but not limited to statutes, ordinances, rules and regulations, and common law affecting services under this Agreement.

K. Reports and/or Meetings

1. The Contractor shall provide oral or written progress reports as requested by the State to determine if the Contractor is performing to expectations or is on schedule, to provide communication of interim findings, and to afford occasions for discussing and resolving problems encountered.
2. The Contractor shall meet with the State upon request to discuss progress on the Agreement or to present findings, conclusions and recommendations.

L. Additional Documents

The Contractor and the State agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

M. Changes in Control Organization

The Contractor shall promptly, and in any case within five (5) calendar days, notify the State in writing: (i) if any of the Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in the Contractor's staff who exercise a significant administrative, policy, or consulting role under this Agreement; (iii) of any change in the majority ownership, control, or business structure of the Contractor; or (iv) of any other material change in the Contractor's business, partnership or corporate organization. All written notices from the Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within the Contractor's personnel or organization under the same criteria as was used by the State in its award of this Agreement to the Contractor. The Contractor agrees to promptly provide the State with such additional information as the State may request.

N. Confidentiality

1. The Contractor agrees to protect the security and confidentiality of all eligibility and enrollment data and all other personal information and protected health information about individuals maintained as part of each Program in accordance with the Information Practices Act, Civil Code Section 1798 et seq., and all other applicable State and Federal laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations promulgated thereunder. All financial, statistical, personal, technical and other data and information relating to the State operations which are designated confidential by the State which become available to the Contractor shall be protected by the Contractor from unauthorized use and disclosure.
- 2 All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and which become available to the Contractor shall be protected by Contractor from unauthorized use and disclosure.
3. The Contractor agrees that it shall not use any individual identifiable information or other confidential information for any purpose other than carrying out the provisions of this Agreement.
4. The Contractor shall ensure that all of its officers, employees, representatives, consultants, subcontractors, or agents who have access to any confidential information for purposes of carrying out the provisions of this Agreement shall execute a confidentiality



agreement incorporating all requirements of this Item II.N. in a form acceptable to the State.

O. HIPAA Compliance

The State and Contractor recognize that, as regulations are promulgated and become effective under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the State may add one or more additional provisions to this Agreement in order for the State to achieve compliance with all applicable HIPAA requirements. The State may, by written notice to Contractor, amend this Agreement to comply with such new regulations. If Contractor agrees with any such amendment, it shall so notify the State in writing within thirty (30) days of the written notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, the State may terminate this Agreement for cause as provided in Exhibit C, Section VII.

P. Disclosure of Contractor Records and Rates of Payment

1. As authorized by Section 6254 of the Government Code, the State and the Contractor shall protect from public disclosure all program records related to the deliberative process, discussions, communications or negotiations over the development of this Agreement.
2. This Agreement and its terms shall remain confidential to the full extent permitted by applicable law, including Government Code Section 6254. For the purposes of this Agreement, disclosure shall be as follows:
  - a. This Agreement and any subsequent amendments, with the exception of Attachment IV, Confidential Rates of Payment, shall not be open to public inspection and shall be kept confidential until one year after the effective starting date of this Agreement or amendment, as applicable, except as required by law.
  - b. The rates of payment for this Agreement as contained in Attachment IV, Confidential Rates of Payment, shall not be open to public inspection and shall be kept confidential until four years after the effective starting date of this Agreement. All documents and reports held by the State which refer to rates of payment shall also be kept from public inspection until four years after this Agreement has been fully executed.

- c. Any rates of payment for this Agreement added through a contract amendment and as contained in Attachment IV, Confidential Rates of Payment, shall not be open to public inspection and shall be kept confidential until four years after the effective date of the added rates. All documents and reports held by the State which refer to rates of payment as amended shall also be kept from public inspection until four years after the effective date of the added rates.
- d. The entire Agreement, or amendments to this Agreement, or other records pertaining to the rate of payment, shall be open to inspection by the Joint Legislative Audit Committee and its authorized auditors.
- e. The records pertaining to the rate of payment, shall be open to federal auditing authorized by the Department of Health and Human Services or the United States Comptroller General and their authorized representatives.
- f. As needed, the State shall also allow its own authorized auditors and contractors, including actuarial consultants, whether public or private, to have access to the Agreement, its amendments, the payment rates, and records containing payment rates. The State shall bind its auditors and contractors to the confidentiality requirements contained in this Agreement.

### III. NEGATIVE COVENANTS

#### A. Conflict of Interest

- 1. The Contractor shall not directly or indirectly receive any benefit from recommendations made to the State and shall disclose to the State any investment or economic interest of the Contractor, or the Contractor's personnel performing services under this Agreement, which may be enhanced by the recommendations made to the State. The Contractor acknowledges that the State, and its employees and consultants, are subject to the provisions of the Fair Political Practices law of California (Government Code Section 81000, et seq., and all regulations adopted thereunder, including, but not limited to, Title 2, California Code of Regulations Section 18700) and the Contractor shall comply promptly with any requirement thereunder. The Contractor shall require any of its personnel to whom the legal requirements apply to file Statements of Economic Interests in compliance with the State's Conflict of

Interest Code (Title 2, California Code of Regulations, Section 54400)

2. The Contractor affirms that the Contractor shall not use any information resulting from this Agreement to advantage the Contractor's other business operations.

B. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by the Contractor without advance written approval by the State.

C. Services or Procurement Resulting from Agreement

Neither the Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that the Contractor provides under this Agreement.

IV. REPRESENTATIONS AND WARRANTIES

A. Power and Authority

1. The Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by the Contractor and no other proceeding on the part of the Contractor is necessary to authorize this Agreement. The Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examination required by any government or governmental authority for its acts contemplated by this Agreement.
2. The Contractor's participating providers are duly licensed or certified, as required by the laws of this state. The Contractor routinely monitors its participating providers' licenses to ensure that they are current. The Contractor's participating providers have no Department of Health Services, Medical Board of California, or California Board of Optometry licensing restrictions.

B. Legal Proceedings

Except as specifically disclosed in writing to the Program by the Contractor prior to the date hereof, and approved by the State in writing, the Contractor certifies that there are no suits, investigations, or other proceedings pending or threatened against the Contractor which would have an effect on the Contractor's ability to perform under this Agreement.

C. Financial Information

The Contractor certifies that all financial information delivered to the State, including, without limit, audited financial statements and related financial periodic information relating to the Contractor, its parent corporation, its affiliates and subsidiaries, its partners or joint ventures, or any Guarantor, fairly and accurately represents such financial condition and has been prepared in accordance with Generally Accepted Accounting Principles unless otherwise noted in such information. Unless the Contractor so informs the State, the Contractor certifies that no material adverse change in such financial condition has occurred.

D. Reporting Accuracy

The Contractor certifies that all reports, documents, instruments, papers, data, information and forms of evidence delivered to the State with respect to this Agreement are accurate and correct, and complete insofar as completeness may be necessary to give the State true and accurate knowledge of the subject matter thereof, and do not contain any material misrepresentations or omissions.

E. Agreement Does Not Violate Law

Neither the execution of this Agreement nor the acts contemplated hereby nor compliance by the Contractor with any provisions hereof shall:

1. Violate any provision of the charter documents of the Contractor;
2. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to the Contractor; or
3. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which the Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of the Contractor.

F. Due Organization

The Contractor is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization.

G. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of the Contractor and is duly authorized to enter into this Agreement on behalf of the Contractor.

V. GENERAL PROVISIONS

A. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of the Contractor and the State contained therein, shall be binding upon the parties and their successors, assignees and legal representatives.

B. Public Assistance Hiring Preference

As the maximum amount of this Agreement exceeds \$200,000 the Contractor shall give priority consideration in filling vacancies for positions funded by this contract to recipients of California public assistance Programs, in accordance with the criteria and exemption set forth in Section 10353 of the Public Contract Code, and Section 11349 of the Welfare and Institutions Code. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California and does not require the employment of unqualified recipients of aid.

C. Contractor Federal Employer/Contractor ID Number

The Contractor is hereby notified of its responsibility to use the assigned Contractor Federal Identification Number contained on the front page of the Agreement on each subsequent contract entered into with the State of California

D. Taxes

The State is exempt from federal excise taxes and shall not make any payment for any personal property taxes levied on the Contractor or any taxes levied on employee wages. The only taxes the State shall pay on

the services rendered pursuant to this Agreement are state and local sales or use taxes.

E. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

F. Ambiguities Not Held Against Drafter

This contract having been freely and voluntarily negotiated by all parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this contract.

G. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, Acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

H. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

I. Titles/Section Headings

Titles or headings are not part of this Agreement, are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

J. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

K. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies, which any party may otherwise have at law or in equity.

L. Entire Agreement/Incorporated Documents/Order of Precedence

1. This Agreement contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement.
2. This Agreement shall consist of the terms of this Agreement, and all attached documents which are expressly incorporated herein. In addition to those documents, which are incorporated elsewhere in this Agreement, the following documents are, by this reference, also incorporated herein:

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3. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including attachments; and (iii) any other provisions, terms, or materials incorporated herein.

M. Dispute Resolution

Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time by Contractor and State employees normally responsible for the administration of this Agreement shall be brought to the attention of the Executive Officer (or designated representative) of each organization for joint resolution. At the request of either party, the State shall provide a forum for the discussion of the disputed item(s). If agreement cannot be reached through the application of high level management attention, either party may assert its other rights and remedies within this Agreement or within a court of competent jurisdiction.

The State and Contractor agree that, the existence of a dispute notwithstanding, they shall continue without delay to carry out all their responsibilities under this Agreement which are not affected by this dispute.

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## **EXHIBIT E FEDERAL TERMS AND CONDITIONS**

### **I. Clean Air and Water**

- A. The Contractor agrees under penalty of perjury it is not in violation of any order or resolution which is not subject to review promulgated by the State Air Resources Board or any air pollution district.
- B. The Contractor agrees under penalty or perjury it is not subject to any cease and desist order which is not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions, or is not finally determined to be in violation of provisions of federal law relating to air or water pollution.
- C. The Contractor agrees to comply with all the requirements of Section 114 of the Clean Air Act as amended (42 U.S.C. 7401 et seq., as amended by Public Law 95-95), and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Public Law 92500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued to implement those Acts before the award of this contract.

### **II. Small, Minority and Women Owned Business Subcontracting**

It is federal policy that the Contractor award a fair share of any subcontracts awarded under this contract to small, minority and women owned business firms. The Contractor agrees to comply with this policy.

### **III. Inventory of Equipment**

The State does not anticipate that the Contractor will purchase any equipment for use in administering this Agreement. The State reserves title to all equipment of any kind purchased from, advanced, or reimbursed by, funds from the State, and not fully consumed in the performance of this Agreement. Inventory and disposition of such equipment is subject to the provisions of this paragraph, as well as paragraphs 1, 2, and 3 below:

- A. The Contractor shall, at the request of the State, submit an inventory of equipment purchased under this Agreement.
- B. At the termination of this Agreement, the Contractor shall provide a final inventory to the State and shall, at that time, query the State as to the

State's requirements for returning said equipment. Final disposition of such equipment shall be at State expense and in accordance with State instructions issued immediately after the receipt of the final inventory.

- C. Before equipment purchases made by the Contractor are reimbursed by the State, the Contractor must submit copies of paid vendor receipts, identifying the purchase price, a description of the item, the serial number, model number and location of the equipment during the contract term. These receipts shall be attached to the Contractor's invoice for the month in which the equipment was purchased.

#### IV. Environmental Tobacco Smoke Certification

By signing this Agreement, the Contractor certifies that it will comply with the requirements of Public Law 103-227, also known as the U.S. Pro-Children Act of 1994 (20 USC 6081 et seq.) and will therefore not allow smoking within any portion of any indoor facility used for the provision of health services for children. The Contractor further agrees that it will insert this certification into any subcontracts which provide children's health services. The Contractor understands that failure to comply with the provisions of this law may result in the imposition of an administrative compliance order on the responsible entity.

#### V. Federal Lobbying Certification

- A. The Contractor shall comply with Section 1352 of Title 31, United States Code regarding prohibitions against using federal funds for lobbying.
- B. By signing this Contract, the signer certifies, on behalf of the Contractor, to the best of his or her knowledge and belief, that:
  - 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this funded contract, Federal grant, or cooperative agreement, and the extension, continuations, renewal, amendment, or modification of this Federal contract, grant or cooperative agreement.
  - 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the

Contractor shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontractors, sub-grants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

VI. Federal Payment Restrictions for Various Services

- A. The Contractor shall exclude all payments for any item or service, with the exception of an emergency service or item provided in an emergency room of a hospital, to any individual or entity which is under exclusion by the U.S. Department of Health and Human Services from participation under Titles V, XVIII, XIX, XX, or XXI of the Social Security Act, or any item or service made under the medical direction or on the prescription of a physician who is under such exclusion. (42 U.S.C. 1396b (i) Sec. 1903 (2))
- B. The Contractor shall make determinations of individuals and entities that are so excluded as part of their initial and ongoing credentialing process of providers and facilities who are participating in the Program.

VII. Federal Ownership Disclosure Requirements

- A. The Contractor shall provide to the State, on a yearly basis, an ownership disclosure statement, on a format to be provided by the State. The statement shall disclose the name of any individual or entity that has a five percent or more ownership or control interest as defined under 42 U.S.C. Section 1320 a-3 (3).
- B. In addition, the Contractor shall require and collect ownership disclosure statements from the subcontracted providers of services to the Program (including hospitals, rural primary care hospitals, skilled nursing services, comprehensive outpatient rehabilitation facilities, home health agencies, hospice programs, independent clinical laboratories, renal disease facilities, and other entities listed in 42 U.S.C. 1320 a.-3, but not individual

practitioners or groups of practitioners). The ownership disclosure statements shall be on a format to be provided by the State, shall be maintained by the Contractor for certification purposes, and shall be provided to the State upon request. The Contractor shall require the statements to be filed upon a provider's entry into the Contractor's health plan and at least yearly thereafter.

VIII. Convicted Offenses Disclosure

The Contractor shall require hospitals, nursing facilities, and other subcontracting provider entities participating in the Program to make the disclosures required by 42 U.S.C. Section 1320 a-5 et seq., regarding certain convicted offenses or exclusions from state or federal health programs of the provider's owners, officers, directors, agents or managing employees. These disclosures shall be made to the Contractor on behalf of the State. The Contractor will immediately notify the State of any such disclosing entities, so that the State may notify the Inspector General of the U.S. Department of Health and Human Services. The Contractor is not required in this Item VIII to require disclosures from individual practitioners or groups of practitioners.

IX. Debarment Certification

The Contractor shall comply with all requirements, terms and conditions set forth in Attachment V, Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions, and its instructions which was submitted as part of the Contractor's proposal.

X. Equal Employment Opportunity

The Contractor shall comply with all requirements of federal Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, entitled "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by federal regulations (41CFR Part 60, entitled "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor").

## **GEOGRAPHIC AREA GRID INSTRUCTIONS**

### **FOR PLANS CURRENTLY PARTICIPATING IN HFP**

There are two versions of Attachment I (Geographic Area Grid):

- One is the Geographic Area Grid from your plan's current Healthy Families Program contract for the period July 1, 2004 through June 30, 2005. MRMIB will send your plan's current grid showing service areas for 2004-05.
  - The other is a blank Proposed Geographic Area Grid to indicate proposed changes in your plan's service area(s) for July 1, 2005 through June 30, 2006.
1. If your plan has no changes from the current Attachment I, then write **NO CHANGES** on the Current Geographic Area Grid document.
  2. **The Proposed Geographic Area Grid should only be filled out if your plan will be expanding, deleting or otherwise changing its service area during the upcoming contract year. The grid should be filled out in its entirety as follows:**
    - a. Place an **X** in the grid where the plan has full county coverage.
    - b. Place an **X\*** in the grid where the plan has coverage for all of Los Angeles County other than Catalina Island.
    - c. Place a **P** in the grid where the plan covers only part of a county.
  3. Allowable reasons for changes in service areas include:
    - a. Service area changes that have been approved by the California Department of Managed Health Care (DMHC) or the Department of Insurance (DOI) for either the addition of a new service area or the removal of an existing service area.
    - b. A change in zip code coverage approved by DMHC or DOI which would either cause coverage in a county to move from a partial area of coverage or to a full area of coverage.
    - c. A service area with a DMHC license for which the plan did not serve HFP subscribers in the current year but would like to add for the upcoming year.

Note on proposed service area expansions: You may list an area for which your plan does not now have a current license **if you have already submitted a request for approval to DMHC or DOI, and you expect to receive approval prior to April 1, 2005.** However, in the submission due to MRMIB on December 10, 2004, you must list these zip codes and/or counties on the **"Proposed Zip Codes"** sheet in the Zip Code Workbook and include a copy of the request submitted to your regulator (DMHC or

DOI). **By April 1, 2005, MRMIB must receive a copy of the notification from DMHC or DOI approving the service area changes, in order for the new service areas to be available as a choice to HFP subscribers in those areas during open enrollment for the 2005-06 benefit year.**

(Open enrollment will take place April 15 through May 31, 2005.) Any service areas approved by DMHC or DOI after April 1, 2005, may or may not be approved by MRMIB, at its discretion, for HFP services.

4. For all counties in which you placed a "P" in the Geographic Area Grid, as well as all service areas for which DMHC or DOI approval is pending, complete the Zip Code Workbook. Instructions for completion are contained in the first tab of the workbook.
5. A responsible plan official must sign and date that he/she has reviewed the submission of either the Current Geographic Area Grid or the Proposed Geographic Area Grid for correctness and accuracy.
6. The signed Attachment I, the completed Zip Code Workbook, and documentation of any pending requests to DMHC or DOI for service area changes must be received by MRMIB **no later than 3 p.m. December 10, 2004**. Send to:

Sarah Soto-Taylor  
Managed Risk Medical Insurance Board  
1000 G Street , Suite 450  
Sacramento, CA 95814

Please send an electronic copy as well to [wsanchez@mrrib.ca.gov](mailto:wsanchez@mrrib.ca.gov)

7. By **April 1, 2005**, submit the required documentation of DMHC or DOI approval of service area changes to Sarah Soto-Taylor at the above address. If approval has not been received by April 1<sup>st</sup>, please notify her immediately at [ssoto@mrrib.ca.gov](mailto:ssoto@mrrib.ca.gov) on the status of your pending request.

#### **FOR PLANS NOT CURRENTLY PARTICIPATING IN HFP**

1. Complete the Proposed Geographic Area Grid to show the HFP service areas your plan proposes to serve for the period July 1, 2005 through June 30, 2006. The grid should be filled out in its entirety as follows:
  - a. Place an **X** in the grid where the plan will provide full county coverage.
  - b. Place an **X\*** in the grid where the plan will provide coverage for all of Los Angeles County other than Catalina Island.
  - c. Place a **P** in the grid where the plan will cover only part of a county.

Note to new plans: You may list an area for which your plan does not now have a current license **if you have already submitted a request for approval to DMHC or DOI, and you expect to receive approval prior to April 1, 2005.** However, in the submission due to MRMIB on December 10, 2004, you must list these zip codes and/or counties on the “**Proposed Zip Codes**” sheet in the Zip Code Workbook and include a copy of the request submitted to your regulator (DMHC or DOI). **By April 1, 2005, MRMIB must receive a copy of the notification from DMHC or DOI approving the service areas, in order for your plan to be available as a choice to HFP subscribers in those areas during open enrollment for the 2005-06 benefit year.** (Open enrollment will take place April 15 through May 31, 2005.) Any service areas approved by DMHC or DOI after April 1, 2005, may or may not be approved by MRMIB, at its discretion, for HFP services.

2. For all counties in which you placed a “P” in the Geographic Area Grid, as well as all counties and/or zip codes for which DMHC or DOI approval is pending, complete the Zip Code Workbook. Instructions for completion are contained in the first tab of the workbook. In the “New Zip Codes” tab, list all counties and/or zip codes in the counties with partial coverage for which your plan is already approved by DMHC or DOI. In the “Proposed Zip Codes” tab, list all pending counties and/or zip codes for which DMHC or DOI approval has not been received.
3. A responsible plan official must sign and date that he/she has reviewed the submission of the Proposed Geographic Area Grid for correctness and accuracy.
4. The signed Attachment I, the Zip Code Workbook, and documentation of pending requests to DMHC or DOI for licensure and/or service area changes must be received by MRMIB **no later than 3 p.m. December 10, 2004.** Send to:

Sarah Soto-Taylor  
Managed Risk Medical Insurance Board  
1000 G Street , Suite 450  
Sacramento, CA 95814

Please send an electronic copy as well to [wsanchez@mrmib.ca.gov](mailto:wsanchez@mrmib.ca.gov).

5. By **April 1, 2005**, submit the required documentation of DMHC or DOI approval of licensure and/or service area changes to Sarah Soto-Taylor at the above address. If approval has not been received by April 1<sup>st</sup>, please notify her immediately at [ssoto@mrmib.ca.gov](mailto:ssoto@mrmib.ca.gov) on the status of your pending request.

# CURRENT GEOGRAPHIC AREA GRID

## SAMPLE

### Current Grid

(Plan specific grid will be sent to  
currently participating plans)

Region	COUNTIES	Licensed Service Area
3	Alameda	
1	Alpine	
1	Amador	
1	Butte	
1	Calaveras	
1	Colusa	
3	Contra Costa	
1	Del Norte	
1	El Dorado	
2	Fresno	
1	Glenn	
1	Humboldt	
2	Imperial	
1	Inyo	
2	Kern	
1	Kings	
1	Lake	
1	Lassen	
5	Los Angeles	X*
2	Madera	
3	Marin	
2	Mariposa	
1	Mendocino	
2	Merced	
1	Modoc	
1	Mono	
1	Monterey	
2	Napa	
1	Nevada	
4	Orange	
1	Placer	
1	Plumas	
6	Riverside	P
2	Sacramento	X
1	San Benito	
6	San Bernardino	P
6	San Diego	
3	San Francisco	

#### CODE

**X = Full county coverage**

(Licensed area covers all zip codes)

**X\* = Full county coverage**

in Los Angeles except Catalina Island

**P = Partial county coverage**

(License area covers some zip codes)

If a plan has partial coverage,

list those zip codes covered on the  
diskette provided.

**Leave box blank**

**if no county coverage**



Region	COUNTIES	Licensed Service Area
2	San Joaquin	
2	San Luis Obispo	
3	San Mateo	
4	Santa Barbara	
3	Santa Clara	
2	Santa Cruz	
1	Shasta	
1	Sierra	
1	Siskiyou	
2	Solano	
2	Sonoma	
2	Stanislaus	
1	Sutter	
1	Tehama	
1	Trinity	
1	Tulare	
1	Tuolumne	
4	Ventura	
1	Yolo	
1	Yuba	

**CODE**

**X = Full county coverage**

(Licensed area covers all zip codes)

**P = Partial county coverage**

(License area covers some zip codes)

If a plan has partial coverage,

list those zip codes covered on the  
 diskette provided.

**Leave box blank**

**if no county coverage**

**Projected Geographic Areas of Service for July 1, 2005 - June 30, 2006  
 Certification**

Plan Name \_\_\_\_\_

I certify that the Geographic Area Grid for the period presented is accurate  
 and appropriate for the California Healthy Families Program.

By: \_\_\_\_\_  
 Print name

\_\_\_\_\_  
 Date

**PROPOSED GEOGRAPHIC AREA GRID**  
**July 1, 2005 - June 30, 2006**

Region	COUNTIES	Licensed Service Area
3	Alameda	
1	Alpine	
1	Amador	
1	Butte	
1	Calaveras	
1	Colusa	
3	Contra Costa	
1	Del Norte	
1	El Dorado	
2	Fresno	
1	Glenn	
1	Humboldt	
2	Imperial	
1	Inyo	
2	Kern	
1	Kings	
1	Lake	
1	Lassen	
5	Los Angeles	
2	Madera	
3	Marin	
2	Mariposa	
1	Mendocino	
2	Merced	
1	Modoc	
1	Mono	
1	Monterey	
2	Napa	
1	Nevada	
4	Orange	
1	Placer	
1	Plumas	
6	Riverside	
2	Sacramento	
1	San Benito	
6	San Bernardino	
6	San Diego	
3	San Francisco	

**CODE**

**X = Full county coverage**

(Licensed area covers all zip codes)

**X\* = Full county coverage**

in Los Angeles except Catalina Island

**P = Partial county coverage**

(License area covers some zip codes)

If a plan has partial coverage,  
list those zip codes covered on the  
diskette provided.

**Leave box blank**  
**if no county coverage**

Region	COUNTIES	Licensed Service Area
2	San Joaquin	
2	San Luis Obispo	
3	San Mateo	
4	Santa Barbara	
3	Santa Clara	
2	Santa Cruz	
1	Shasta	
1	Sierra	
1	Siskiyou	
2	Solano	
2	Sonoma	
2	Stanislaus	
1	Sutter	
1	Tehama	
1	Trinity	
1	Tulare	
1	Tuolumne	
4	Ventura	
1	Yolo	
1	Yuba	

**CODE**

**X = Full county coverage**

(Licensed area covers all zip codes)

**P = Partial county coverage**

(License area covers some zip codes)

If a plan has partial coverage,  
 list those zip codes covered on the  
 diskette provided.

**Leave box blank  
 if no county coverage**

**Proposed Geographic Service Areas for July 1, 2005 - June 30, 2006  
 Certification**

Plan Name \_\_\_\_\_

I certify that the Geographic Area Grid for the period presented is accurate  
 and appropriate for the California Healthy Families Program.

By: \_\_\_\_\_  
 Print name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Phone number

\_\_\_\_\_  
 Title

## Instructions

### **Currently Participating Plans Only:**

There are two versions of Attachment I. One is the grid from your plan's current Healthy Families Program contract. Please review this document for accuracy. If counties of coverage have changed, fill out the Proposed Geographic Area Grid with the correct Xs and Ps. This workbook is for those counties in which your plan does not provide complete coverage for all zip codes. In any county where you have inserted "P" on the grid, please review the enclosed listing and make the changes on the tabs as indicated.

### **New Plans Only:**

Complete the Proposed Geographic Area Grid in Attachment I to show the HFP service areas your plan proposes to serve for the 2005-06 contract year. Refer to the Attachment I instructions for more details. To complete the Workbook, start with Step Three below.

### **Step One (for currently participating plans only)**

Review the list provided on tab "Current Zip Codes." This tab is locked and no changes can be made to the worksheet. If the worksheet is correct as provided, write "No Changes" on the worksheet. Complete the signature section.

### **Step Two (for currently participating plans only)**

If the Current Zip Codes listing shows a zip code that you do not cover, enter that information on the tab "Deleted Zip Codes." Proceed through the listing and enter all zip codes that you do not provide coverage for.

### **Step Three**

**Current Plans Only:** If there are any zip codes you cover that are not listed in the Current Zip Codes listing, enter those zip codes on the tab "New Zip Codes." Proceed through the listing and enter all zip codes that need to be added to your coverage area. Do not list any zip code or county for which DMHC or DOI approval is pending.

**New Plans Only:** If you already have DMHC or DOI approval for particular zip codes and/or counties, list them on the tab "New Zip Codes."

### **Step Four (current and new plans)**

If you have proposed new coverage areas to DMHC or DOI and approval is pending, enter those zip codes and/or counties on the tab "Proposed Zip Codes."

**Current zip codes included in plan's partial service areas**

Co	Zip Code	County
----	----------	--------

**If entire county is covered, please disregard this worksheet**

***[LISTING WILL BE CUSTOMIZED TO  
EACH CURRENT PLAN'S SERVICE AREA]***

**Deleted zip codes no longer Included in plan's partial service areas**

Please list the zip codes to delete from the current coverage area

<b>Co</b>	<b>Zip Code</b>	<b>County</b>
-----------	-----------------	---------------

**New zip codes included in plan's partial service areas**

Please list the zip codes to add to the current coverage area

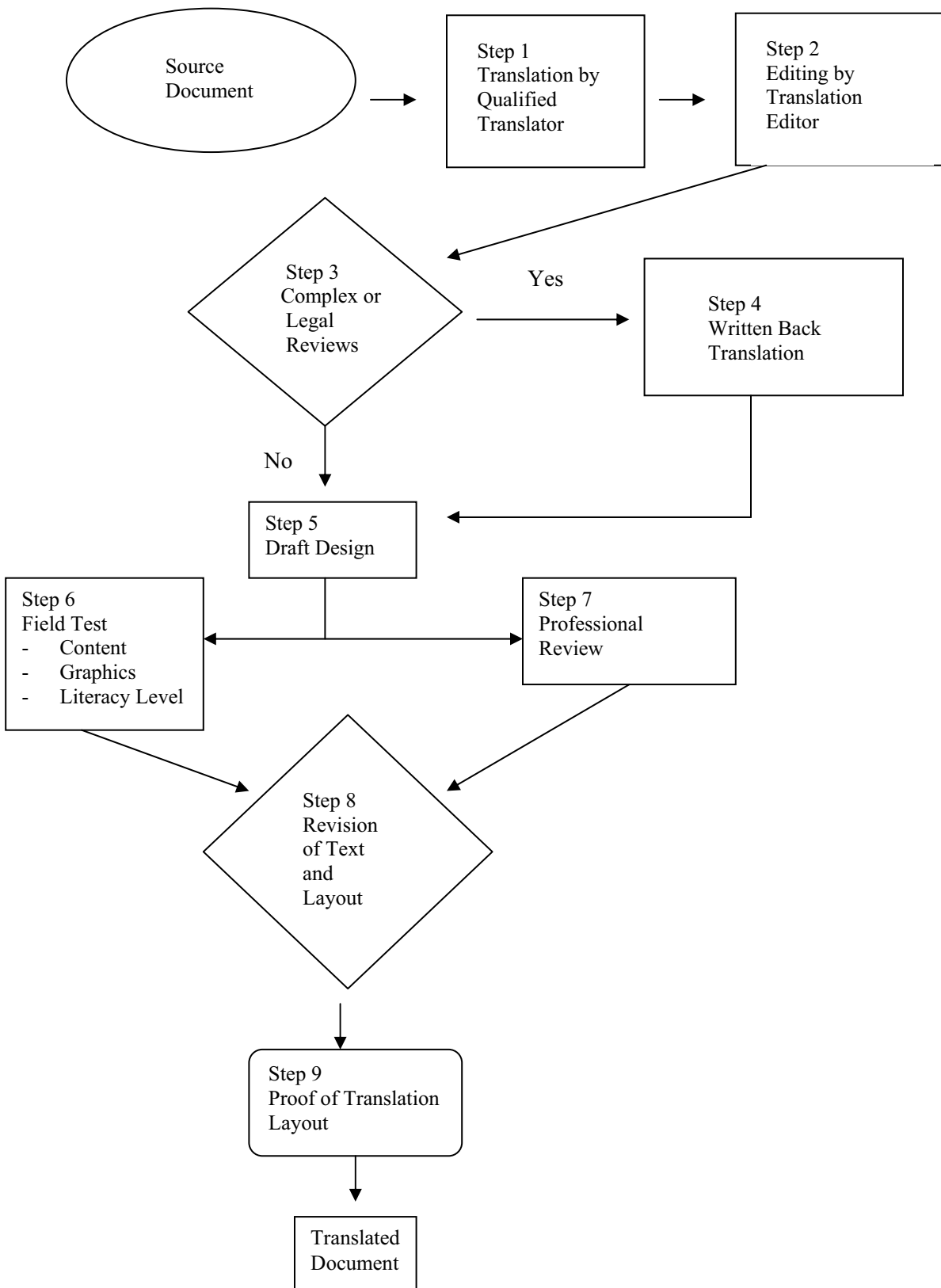
Co	Zip Code	County
----	----------	--------

**Proposed zip codes and/or counties pending regulatory approval.**

Co	Zip Code	County
----	----------	--------



## Translated Process Flowchart



## Translation Process Flowchart Instructions

Using the Translation Process Flowchart

Choosing the correct steps depends on the document to be translated.

Steps 1 & 2: By using two different qualified translators (one to translate and the other to edit), the quality of the translation will be enhanced, the risk of error will be reduced, and the diversity within a culture will be considered. It is recommended that familiarity with the regional language variations and cultural diversity of the intended audience be considered in the selection of the translation team. Word processing may be done by the Qualified Translator, Translation editor, or a word processor. Depending upon the target language and the number of translation process steps that are needed and used, word processing may take place at any point along the process.

Step 3: Complex and legal documents require a more intensive review.

Step 4: If it has been determined in Step 3 that the document is a complex or legal document, then a back translation is encouraged.

Step 5: A pre-field test version of the document is rendered and proofed, including layout and graphics.

Step 6: During field testing, the document is tested with members of the intended audience. It serves a four-fold purpose:

1. To ensure that the document conveys the desired message to the intended audience;
2. To ensure that the literacy level is appropriate for the intended audience;
3. To allow correction of inaccuracies and misconceptions; and
4. Identify and correct geographical or regional differences in language.

Step 7: During professional review the document is sent to health professionals and experts who are literate in both English and the target language, familiar with the content areas, and with the intended audience.

Step 8: The results of steps 7 and 8 are incorporated into the document. Revisions to the source document may be made to address problematic issues uncovered during the field test and professional review.

Step 9: The combined layout and revised text are proofread.

## **DEFINITIONS OF TERMS IN THE TRANSLATION PROCESS**

### **QUALIFIED TRANSLATOR**

- Formal education in the target language. Ability to read, write and understand the target language.
- Ability to read and understand the source language.
- Knowledge and experience with culture(s) of the intended audience.
- Health and managed care background is recommended.

### **TRANSLATION EDITOR**

- A translator other than the original “Qualified Translator.”
- Formal education in the target language. Ability to read, write and understand the target language.
- Knowledge and experience with culture(s) of the intended audience.
- Ensures the translation conveys all source document information (grammar, flow, completeness, accuracy, punctuation, spelling, accents/diacritical marks, etc.)
- Health and managed care background is recommended.

### **PROOFREADER**

- A Qualified Translator other than the translator who did the word-processing, desktop publishing, or typesetting. May be performed by the Qualified Translator or Translation Editor as long as this individual did not perform the word processing, desktop publishing or typesetting.
- Formal education in the target language. Ability to read, write, and understand the target language.
- Responsible for punctuation, spelling, accents/diacritical marks, and typographical errors.

### **PROFESSIONAL REVIEWER**

- Experience with health care and topic of the document.
- Knowledge and experience with culture(s) of the intended audience.
- Ability to read and understand the target language.
- Direct experience working with intended audience.
- Knowledge of managed care preferred.

### FIELD TESTING

- Conducted with a minimum of seven end-users per language.
- Field test coordinator-experience with health education materials development.
- Must keep documentation of process, data, and results of each field test on file.
- Process may include individual interviews, surveys, and focus groups.
- Field test should examine word choices, clarity of concept conveyed, cultural appropriateness, acceptability, appeal, literacy, graphic appeal, and appropriateness.

### BACK TRANSLATION

- Conducted by a Qualified Translator other than the original translator, editor, and proofreader.
- Written translations from target language to source language.
- For legal documents to ensure accuracy and completeness.

**ATTACHMENT V**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY,**  
**AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

OVERVIEW

In accordance with 45CFR Part 76, State contractors who receive federal funds through the Title XXI State Children's Health Insurance Program (In California, the Healthy Families Program and Access for Infants and Mothers Program) must certify at the time of submitting a model contract proposal, that they are not debarred or otherwise excluded by the Federal government from receiving federal funding. Under this federal rule, entities who contract with the State and who are being considered for federal funding are considered to be "lower tier participants" by the federal government. Subcontractors who will receive federal funding, through the contract are also considered to be "lower tier participants".

After reading the instructions on the next page, the person authorized to submit the model contract and proposal must sign the certification and include it in the proposal package by the due date in the model contract and proposal solicitation letter. Proposals not containing the certification will not be considered for an award.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY,  
AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this certification as part of this proposal, the prospective lower tier participant, is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances, including but not limited to suspension, debarment, or exclusion from participation in any federally-funded health care program following its previous certification.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY,  
AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

- (1) The prospective lower tier participant certifies, by submitting this proposal and signing below, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency, or is excluded as the result of state or federal action from participation in any federally-funded health care program.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Name of Prospective Contractor

**ATTACHMENT VI**  
**CONFIDENTIAL RATES OF PAYMENT**

This attachment is confidential, and is not open until, at the earliest July 1, 2009. See Exhibit D, Item II.P. of this Agreement for the standards governing confidentiality.



**PREMIUM RATES**

**ONE YEAR RATES**

Subscriber Child Premium Rates for the July 1, 2005 - June 30, 2006 benefit year

	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per Subscriber Child						

**TWO YEAR RATES**

Subscriber Child Premium Rates for the July 1, 2005 - June 30, 2007 benefit years

	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per Subscriber Child						

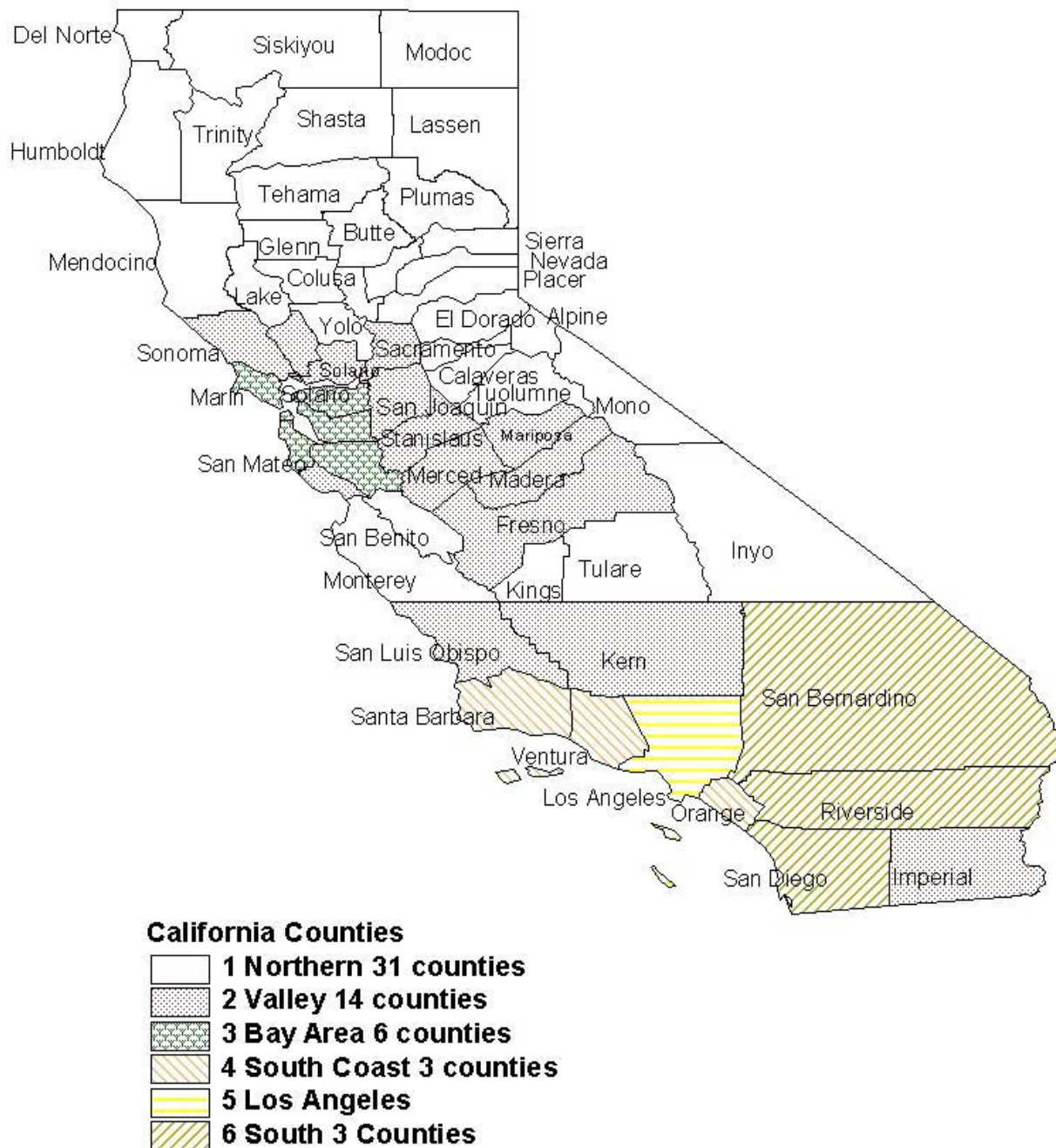
**Plan Name** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**e-mail :** \_\_\_\_\_

## California MRMIB Regions



For a listing of counties in each region, refer to section 2699.6800 of HFP regulations.

**Healthy Families Program**  
**Evidence of Coverage (EOC) or Certificate of Insurance (COI) Instructions**

Following is a timeline for submitting Healthy Families Program (HFP) documents.

<b>DATE</b>	<b>DOCUMENT(S)</b>
<b>December 10, 2004</b>	Plan is required to send draft copies of the plan's 2005-06 EOC/COI booklet to MRMIB <b>and</b> DMHC for review and approval.
<b>March 1, 2005</b>	Plan is required to send a draft copy of the letter to MRMIB for review and approval, if plan intends to send a letter to members by April 1, 2005, describing the 2005-06 benefit changes.
<b>April 1, 2005</b>	Plan is required to mail to members an updated Provider Directory and either: <ul style="list-style-type: none"><li>• a final 2005-06 EOC/COI, or</li><li>• a letter describing the 2005-06 benefit changes.</li></ul>
<b>June 15, 2005</b>	If plan did not mail the final 2005-06 EOC/COI to members by April 1, 2005, it must mail the EOC/COI to members by June 15, 2005.
<b>July 1, 2005</b>	Plan must mail five final, bound EOCs/COIs ( <b>not copies</b> ) and one copy of the updated Provider Directory to: Dinorah Torza Benefits and Quality Monitoring Division Managed Risk Medical Insurance Board 1000 G Street, Suite 450 Sacramento, CA 95814
<b>September 30, 2005</b>	Plan must mail copies of the member packet that have been translated into different languages to Dinorah Torza at the above address. Please refer to Exhibit A, Section III.C.2.c. of the HFP Model Contract for further details.

**MRMIB has developed a Model EOC/COI with standardized language for use by plans (see Attachment V – Part 2).** MRMIB strongly encourages plans to adopt the Model EOC/COI. Please note that many sections in the Model EOC/COI allow a plan to insert its own language. A plan may also revise the non-mandatory sections to fit its current procedures, although the description of benefits in the EOC/COI must be consistent with the HFP regulations.

MRMIB requests that each plan forward its draft 2005-06 EOC/COI to MRMIB with the following information:

### **FOR NEW AND PARTICIPATING PLANS THAT ADOPT THE MODEL EOC/COI**

A plan must use the mandatory language contained in the Disclosure, Eligibility and Enrollment, Accessing Care, and Coordination of Services sections described below. A plan should insert the plan's language in the sections without standardized language and it may revise the **non-mandatory** standardized sections by underlining the text that the plan adds and striking-out the deleted text. Additionally, the plan must prepare a separate document that summarizes the changes made to the standardized language by describing the deletions and additions, identifying the relevant page numbers, and explaining the plan's reasons for making the changes.

### **FOR PARTICIPATING PLANS THAT DO NOT ADOPT THE MODEL EOC/COI**

Using the plan's 2004-05 EOC/COI as the base, the plan should prepare the draft 2005-06 EOC/COI by striking out text proposed for deletion and underlining text proposed for addition to the current EOC/COI. The plan must use the mandatory language contained in the Disclosure, Eligibility and Enrollment, Accessing Care, and Coordination of Services sections described below. Additionally, the plan must prepare a separate document that summarizes the changes made to the 2004-05 EOC/COI by describing the deletions and additions, identifying the relevant page numbers, and explaining the plan's reasons for making the changes.

### **FOR NEW PLANS THAT DO NOT ADOPT THE MODEL EOC/COI**

A plan's EOC/COI should contain the following sections:

#### **Front Cover**

The cover of the EOC/COI Booklet should include the name of the plan and the Healthy Families Program logo and the benefit year. To obtain a 2"X 3½" camera ready Healthy Families Program logo, please contact Dinorah Torza at [Dtorza@mrmib.ca.gov](mailto:Dtorza@mrmib.ca.gov) or (916) 323-2072.

#### **Body of the Document**

All HFP EOCs/s should: 1) be prepared in compliance with the standards of the plan's regulatory agency, 2) be consistent with Article 3 of the HFP regulations, and 3) contain the headings and topics listed below.

On the first or second page, you must include the following paragraphs:

#### **Disclosure**

*Note: The language contained in the HFP Model EOC/COI is mandatory and must be included in the EOC/COI.*

## **Eligibility and Enrollment**

*Note: The language contained in the HFP Model EOC/COI is mandatory and must be included in the EOC/COI.*

### **Section 1: Introduction**

#### **About the Vision Plan**

Please describe key features about the plan; including the plan's service area, customer service number, and other important information.

#### **Multilingual Services**

Please describe how language support services may be accessed by non-English proficient members.

#### **Member Identification Card**

Please describe how members should use their member identification card.

### **Section 2: Definitions**

Please include the definition of terms used in the EOC/COI.

### **Section 3: Member Rights and Responsibilities**

Please describe members' rights and responsibilities concerning their vision care services.

### **Section 4: Accessing Care**

*Note: The language contained in the HFP Model EOC/COI is mandatory and must be included in the EOC/COI.*

### **Section 5: Using the Vision Plan**

Please include the following subsections:

- Facilities and Provider Locations

- Choosing a Provider

- Scheduling Appointments

- Provisions for Obtaining Services From Out of Network Providers

- Getting a Second Opinion

- Copayments

### **Section 6: Vision Plan Covered Benefits Matrix**

Please include a chart which summarizes the benefits provided under the Healthy Families Program.

### **Section 7: Benefit Descriptions**

Please include a detailed description of the HFP benefits, including copayments. The description must be consistent with the HFP regulations and define the following benefits:

Eye Examination  
Frames and Lenses  
Contact Lenses  
Low Vision

### **Section 8: Coordination of Services**

#### **California Children's Services (CCS)**

*Note: The language contained in the HFP Model EOC/COI is mandatory and must be included in the EOC/COI.*

### **Section 9: Excluded Benefits**

Please include a detailed description of exclusions and limitations. The description must be consistent with the HFP regulations.

### **Section 10: Grievance and Appeals Process**

Please include the following subsections:

Grievance  
Review by the Department of Managed Health Care  
Arbitration

### **Section 11: General Information**

This section should include information about:

Other Vision Insurance  
Third Party Recovery Process and Member Responsibilities  
Non-Duplication of Benefits with Workers' Compensation  
Coordination of Benefits  
Limitations of Other Coverage  
Provider Payment  
Reimbursement Provisions – If You Receive a Bill  
Public Participation  
Notifying You of Changes in the Plan  
Privacy Practices  
Organ and Tissue Donation

### **Back Cover (or inside back cover)**

Please provide a map of the plan's licensed service area.

**(Insert Plan Name)**

**Combined Evidence of Coverage and Disclosure Form  
July 1, 2005 to June 30, 2006**

***(Insert Healthy Families Program Logo)***

### ***Disclosure***

***This Combined Evidence of Coverage and Disclosure Form constitutes only a summary of the Vision Plan's policies and coverage under the Healthy Families Program (HFP). The Vision Plan contract and the HFP regulations (California Code of Regulations, Title 10, Chapter 5.8) issued by the California Managed Risk Medical Insurance Board (MRMIB), should be consulted to determine the exact terms and conditions of coverage. These regulations may be viewed on the Internet at <http://www.mrmib.ca.gov>.***

***Additionally, the HFP regulations require the Vision Plan to comply with all requirements of the Knox-Keene Health Care Service Plan Act of 1975, as amended (California Health and Safety Code, section 1340, et seq.), and the Act's regulations (California Code of Regulations, Title 28). Any provision required to be a benefit of the program by either the Act or the Act's regulations shall be binding on the Vision Plan, even if it is not included in the Evidence of Coverage booklet or the Vision Plan contract.***

### **Eligibility and Enrollment**

**Information about eligibility, enrollment, disenrollment, the starting date of coverage, transfers to another vision plan, annual requalification, premium payments, and the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) is included in the Healthy Families Program Handbook that was mailed to you by the Healthy Families Program. If you have questions on these topics or would like another copy of the Handbook, please contact the Healthy Families Program at the following address or toll-free telephone number:**

**Healthy Families Program  
P.O. Box 138005  
Sacramento, CA 95813-8005  
(800) 880-5305**

**The hearing impaired should call the California Relay Service at 711(TTY).**

**Additional information about the Healthy Families Program is available at the Managed Risk Medical Insurance Board Website at [www.mrmib.ca.gov](http://www.mrmib.ca.gov).**



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# Introduction

## ***Using This Booklet***

This booklet, called the Combined Evidence of Coverage and Disclosure Form, or “EOC”, contains detailed information about Healthy Families Program benefits, how to obtain benefits, and the rights and responsibilities of Healthy Families Program members. Please read this booklet carefully and keep it on hand for future reference.

Throughout this booklet, “you,” “your,” and “member” refers to the child or children enrolled in the Healthy Families Program. “We,” “us,” and “our” always refers to Insert Plan Name. “Provider,” “plan provider,” or “participating provider” refers to a licensed eye care doctor who is responsible for providing services to you.

## ***Welcome! About the Vision Plan***

[Language to be provided by the Plan: Please describe key features about the vision care plan, including the plan’s service area, customer service number, and other important information.]

## ***Multilingual Services***

If you or your representative prefer to speak in any language other than English, call us at Insert Number (TDD/TTY for the hearing impaired at Insert Number) to speak with a Insert Plan Name Member Services Representative. Our Member Services staff can help you find a health care provider who speaks your language or who has a regular interpreter available. You do not have to use family members or friends as interpreters. If you cannot locate a health care provider who meets your language needs, you can request to have an interpreter available for discussions of medical information at no charge.

This EOC booklet, as well as other informational material, has been translated into [please list the languages.] To request translated materials, please call Insert Plan Name’s Member Services at Insert Number (TDD/TTY for the hearing impaired at Insert Number).

## Definitions

**ANISOMETROPIA** - A condition of unequal refractive state for the two eyes, one eye requiring a different lens correction than the other.

**ASTIGMATISM** - A condition of refraction in which all the points of focus from one source are not focused at one point. They are focused, instead, at two different planes or points of focus. For example, a cross should have the vertical line focused in one plane and the horizontal line focused in another plane. It would look like two separate lines, one vertical and one horizontal as they would not be together.

**AXIS** - The axis designates the orientation of the astigmatism.

**BENEFIT AUTHORIZATION** - Authorization issued by Insert Plan Name identifying the individual named as a member of Insert Plan Name, and identifying those plan benefits to which a member is entitled.

**BENEFIT YEAR** - The twelve (12) month period commencing July 1 of each year at 12:01 a.m.

**BLENDED LENSES** - Bifocals which do not have a visible dividing line.

**CLAIM** - A benefit form submitted to Insert Plan Name by a participating provider for payment of services or submission of a benefit form with paid receipts by a covered member who has received services from a non-member provider.

**COATED LENSES** - A substance is added to a finished lens on one or both surfaces.

**COPAYMENT** - A fee, which the Plan provider may collect directly from a member for a particular covered benefit at the time the service, is rendered.

**DIOPTER** - A unit of measurement used to designate the refractive power of a lens or optical system.

**EYEWEAR** - Lenses, frame, low vision aides, contact lenses.

**KERATOCONUS** - A developmental or dystrophic deformity of the cornea in which it becomes coneshaped, due to a thinning and stretching of the tissue in its central area.

**EVIDENCE OF COVERAGE AND DISCLOSURE FORM (EOC)** - This booklet is the combined Evidence of Coverage and Disclosure Form that describes your coverage and benefits.

**EXCLUSION** - Any vision service for which the program offers no coverage.

**GRIEVANCE** - A written or oral expression of dissatisfaction regarding the plan and/or a provider, including quality of care concerns, and shall include a complaint, dispute, request for reconsideration or appeal made by a member or the member's representative. Where the plan is unable to distinguish between a grievance and an inquiry, it shall be considered a grievance.

**HEALTHY FAMILIES PROGRAM** - The state program administered by MRMIB to provide medical, dental and vision coverage to children who meet the eligibility and income requirements and contribute a monthly family contribution.

**MANAGED RISK MEDICAL INSURANCE BOARD (MRMIB)** - The State agency with the authority to administer the Healthy Families Program.

**MEMBER** - A person who is enrolled in Insert Plan Name and receives vision care from a Plan provider.

**ORTHOPTICS** - The teaching and training process for the improvement of visual perception and coordination of the two eyes for efficient and comfortable binocular vision.

**OVERSIZE LENSES** - Larger than standard lens blank to accommodate prescriptions.

**PARTICIPATING MEMBER DOCTOR** - An optometrist or ophthalmologist who has signed an agreement with Insert Plan Name to provide services to Insert Plan Name patients.

**PHOTOCHROMIC LENSES** - Lenses which change color with intensity of sunlight.

**PLANO LENSES** - Lenses which have no refractive power.

**PRISM** - An optical element of system which deviates the path of light. They are usually used when the eyes do not coordinate well together.

**PROFESSIONAL SERVICE** - Exam, eyewear selection, fitting of glasses, related adjustments, etc.

**SUBSCRIBER** - A person under the age of 19 who is eligible for and participates in the program.

**TINTED LENSES** - Lenses which have additional substance added to produce constant tint (e.g., pink, green, gray, blue, etc.).

**USUAL AND CUSTOMARY FEES** - Fees for services and eyewear that are charged by participating member doctors to their private (non-Insert Plan Name) patients.

## Member Rights and Responsibilities

### ***As a (Insert Plan Name) member, you have the right to:***

- Be treated with respect and dignity.
- Choose your provider from our Provider Directory.
- Get appointments within a reasonable amount of time.
- Participate in candid discussions and decisions about your vision care needs, including appropriate or medically necessary treatment options for your condition(s), regardless of cost and regardless of whether the treatment is covered by this plan.
- Have a confidential relationship with your provider.
- Have your records kept confidential. This means we will not share your health care information without your written approval or unless it is permitted by law.
- Voice your concerns about Insert Plan Name, or vision care services you received, to Insert Plan Name.
- Receive information about Insert Plan Name, our services, and our providers.
- Make recommendations about your rights and responsibilities.
- See your health care records.
- Request an interpreter at no charge to you.
- Use interpreters who are not your family members or friends.
- File a complaint if your language needs are not met.

### ***Your responsibilities are to:***

- Give your providers and Insert Plan Name correct information.
- Ask questions about any vision condition and make certain that the explanations and instructions are understandable.
- Make and keep appointments and inform the vision care doctor at least 24 hours in advance when the appointment must be cancelled.
- Communicate openly with the vision care doctor to develop a strong partnership based on trust and cooperation.
- Help Insert Plan Name maintain accurate and current records by providing timely information regarding changes in address, family status, and other health care coverage.
- Notify Insert Plan Name as soon as possible if billed inappropriately or if you have a complaint.
- Treat all Insert Plan Name personnel and health care providers respectfully and courteously.

## Accessing Care

### ***Physical Access***

Insert Plan Name has made every effort to ensure that our offices and the offices and facilities of Insert Plan Name providers are accessible to the disabled. If you are not able to locate an accessible provider, please call us toll free at Insert Number and we will help you find an alternate provider.

### ***Access for the Hearing Impaired***

The hearing impaired may contact us through our TDD number at Insert Plan TDD Number, Monday through Friday, from XXa.m. to XXp.m. Between XXp.m. and XX a.m. and on weekends, please call the California Relay Service TTY at 711 to get the help you need.

### ***Access for the Vision Impaired***

This Evidence of Coverage (EOC) and other important plan materials will be made available in [please list the different formats; for example, large print, enlarged computer disk, audiotape, etc.] for the vision impaired. For alternative formats or for direct help in reading the EOC and other materials, please call us at Insert the Plan Number.

### ***The Americans with Disabilities Act of 1990***

Insert Plan Name complies with the Americans with Disabilities Act of 1990 (ADA). This Act prohibits discrimination based on disability. The Act protects members with disabilities from discrimination concerning program services. In addition, section 504 of the Rehabilitation Act of 1973 states that no qualified disabled person shall be excluded, based on disability, from participation in any program or activity which receives or benefits from federal financial assistance, nor be denied the benefits of, or otherwise be subjected to discrimination under such a program or activity.

### ***Disability Access Grievances***

If you believe the Plan or its providers have failed to respond to your disability access needs, you may file a grievance with Insert Plan Name by calling Insert Plan Number.

If your disability access complaint remains unresolved, you may contact the:

ADA Coordinator  
Managed Risk Medical Insurance Board  
P.O. Box 2769  
Sacramento, CA 95812-2769  
(916) 324-4695

The hearing impaired should call the California Relay Service at 711(TTY).

# Using The Vision Plan

## ***Facilities and Provider Locations***

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS VISION CARE MAY BE OBTAINED.

[Language to be provided by the Plan: Please describe information about the plan's vision care providers, service area, how members can obtain a Provider and/or Facilities Locations Directory, and other relevant information.]

## ***Choosing a Provider***

[Language to be provided by the Plan: Please describe what members need to do to choose a provider, what services the provider will provide to members, and any information members should consider when choosing a provider.]

## ***Scheduling Appointments***

[Language to be provided by the Plan: Please provide information about scheduling or changing an appointment and other relevant information.]

## ***Provisions for Obtaining Services From Plan Providers***

[Please describe information about the plan's vision care providers]

## ***Provisions for Obtaining Services From Out of Network Providers***

When a member obtains services from a provider not included in Insert Plan Name's panel of approved providers, the member will be responsible for paying the provider for all services and materials received at the time of their appointment. Insert Plan Name will reimburse the member within fourteen (14) calendar days after receipt of the paid itemized bill or statement, according to the schedule of allowances as follows:

- Professional fees:  
Vision exams, up to \$35.00
- Materials:
  1. Each pair of single vision lenses, up to \$25.00
  2. Each pair of bifocal lenses, up to \$40.00
  3. Each pair of trifocal lenses, up to \$50.00
  4. Each pair of lenticular lenses, up to \$100.00
  5. Frame, up to \$40.00
  6. Tint allowance, up to \$5.00
  7. Each pair of necessary contact lenses, up to \$250.00
  8. Each pair of elective contact lenses, up to \$110.00.

Determination of whether contact lenses are necessary or elective when obtained from providers not included in Insert Plan Name's panel of approved providers will be the responsibility of Insert Plan Name.

### ***Getting a Second Opinion***

[Language to be provided by the Plan: Please describe the process for obtaining a second opinion.]

### ***Copayments***

You will be required to pay a small amount of money for some services. This is called a copayment. You are responsible to pay the copayment to the vision care provider at the time services are provided. There are no copayments for members who are determined to be American Indians or Alaska Natives. For information pertaining to copayment waivers for American Indians or Alaskan Natives, please refer to the Healthy Families Program Handbook or contact the Healthy Families Program at (800) 880-5305.

No deductibles are charged for vision benefits. An annual copayment maximum is not applied to vision benefits.

Any additional care, service, and/or eyewear not covered by this plan may be arranged between the member and the vision care doctor.



## Vision Plan Covered Benefits Matrix

THIS MATRIX IS INTENDED TO BE USED TO HELP YOU COMPARE COVERED BENEFITS AND IS A SUMMARY ONLY. THE BENEFIT DESCRIPTION SECTION SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERED BENEFITS AND LIMITATIONS.

<b>Benefits</b>	<b>Services</b>	<b>Cost to Member (copayment)</b>
Eye Examination	A comprehensive vision examination to determine the presence of vision problems or other abnormalities.	\$5 copayment per examination
Frames and Lenses	When the vision examination indicates that corrective lenses are necessary, the member is entitled to necessary frames and lenses.	\$5 copayment, for frames with lenses, frames or lenses
Contact Lenses	Medically necessary contact lenses shall be covered in full.	No copayment for medically necessary contact lenses.  An allowance of \$110 will be provided toward the cost of an examination, contact lens evaluation, fitting costs and materials for elective contact lenses.
Low Vision	This benefit is provided to members who have severe visual problems that are not correctable with regular lenses.	No copayment for supplementary testing.  \$5 copayment for supplemental care

## Benefit Descriptions

This section lists the vision benefits and services you are allowed to obtain through Insert Plan Name, subject to the exception and limitations listed here and in the **Exclusions** section of this EOC.

### ***Eye Examination***

#### Cost to member

\$5 copayment per examination

#### Description

Benefit includes a comprehensive vision examination, including a complete analysis of the eyes and related structures, as appropriate, to determine the presence of vision problems or other abnormalities as follows:

- Case history: Review of the member's main reason for the visit, past history, medications, general health, ocular symptoms, and family history.
- Evaluation of the health status of the visual system; including:
  - External and internal examination, including direct and/or indirect ophthalmoscopy;
  - Assessment of neurological integrity, including that of pupillary reflexes and extraocular muscles;
  - Biomicroscopy of the anterior segment of the eye, including observation of the cornea, lens, iris, conjunctiva, lids and lashes;
  - Screening of gross visual fields; and
  - Pressure testing through tonometry.
- Evaluation of refractive status, including:
  - Evaluation for visual acuity;
  - Evaluation of subjective, refractive, and accommodative function; and
  - Objective testing of a patient's prescription through retinoscopy.
- Binocular function test.
- Diagnosis and treatment plan, if needed.

#### Limitations

Examinations are limited to once every twelve months beginning July 1st.

### ***Frames and Lenses***

#### Cost to Member

\$5 copayment, for frames with lenses, frames or lenses

Note: A frame allowance of \$75 is provided by the vision plan. The member is responsible for any costs exceeding this allowance.

#### Description

When the vision examination indicates that corrective lenses are necessary, the member is entitled to necessary frames and lenses, including coverage for single vision, bifocal, trifocal, and lenticular lenses as appropriate.

### Limitation

Frames and lenses are limited to once every twelve months beginning July 1st.

### Exclusions

The following options are considered cosmetic and any costs associated with the selection of these options will be the financial responsibility of the member:

- Blended lenses (bifocals which do not have a visible dividing line);
- Contact lenses except as specified in the Contact Lenses section below;
- Oversized lenses (larger than standard lens blank to accommodate prescriptions);
- Progressive multifocal lenses;
- Coated or laminated lenses;
- UV protected lenses.
- Other optional cosmetic processes.

### **Contact Lenses**

#### Cost to Member

Medically necessary contact lenses: no copayment

Elective contact lenses: An allowance of \$110 will be provided by the vision plan toward the cost of an examination, contact lens evaluation, fitting costs and materials. This allowance will be in lieu of all benefits, including examination and material costs.

The member is responsible for any costs exceeding this allowance.

#### Description

Contact lenses shall be covered as follows:

- Medically necessary contact lenses shall be covered in full upon prior authorization from the vision plan, for certain conditions. These conditions may include:
  - Following cataract surgery;
  - To correct extreme visual acuity problems that cannot be corrected with spectacle lenses;
  - Certain conditions of Anisometropia; and
  - Keratoconus.

### Limitation

Contact lenses are limited to once each twelve month period.

### **Low Vision**

#### Cost to Member

Supplementary testing: No copayment

Supplemental care: \$5 copayment

#### Defination

A low vision benefit is provided to members who have severe visual problems that are not correctable with regular lenses. This benefit requires prior approval from the participating vision plan. With this prior approval, supplementary testing and supplemental care, including low vision therapy as visually necessary or appropriate, shall be provided.

## Coordination of Benefits

### ***California Children's Services***

As part of the services provided through the Healthy Families Program, members needing specialized medical care may be eligible for services through the California Children's Services (CCS) Program.

CCS is a California medical program that treats children with certain physically handicapping conditions and who need specialized medical care. This program is available to all children in California whose families meet certain medical, financial and residential eligibility requirements. All children enrolled in the Healthy Families Program are deemed to have met the financial eligibility requirements of the CCS Program. Services provided through the CCS Program are coordinated by the county CCS office.

If a member's primary care provider suspects or identifies a possible CCS eligible condition, he or she must refer the member to the local CCS program. Insert Plan Name can assist with this referral. Insert Plan Name will also make a referral to CCS when a primary care provider refers to a specialist or where there is an inpatient admission, which appears to involve care for a CCS eligible condition. The CCS program will determine if the member's condition is eligible for CCS services.

If the condition is determined to be eligible for CCS services, the member continues to stay enrolled in the Healthy Families Program. He or she will be referred and should receive treatment for the CCS eligible condition through the specialized network of CCS providers and/or CCS approved specialty centers. These CCS providers and specialty centers are highly trained to treat CCS eligible conditions. CCS services must be received from CCS paneled providers and payment for CCS eligible services obtained from non-CCS paneled provider will be the responsibility of the member's legal guardian.

Insert Plan Name will continue to provide primary care and prevention services that are not related to the CCS eligible condition, as described in this booklet. Insert Plan Name will also work with the CCS program and providers to coordinate care provided by both the CCS program and the Insert Plan Name. If a condition is determined not to be eligible for CCS Program services, the member will continue to receive all medically necessary services from the Insert Plan Name.

Although all children enrolled in the Healthy Families Program are determined to be financially eligible for the CCS Program, the CCS office must verify residential status for each child in the CCS Program. If a member is referred to the CCS Program, the member's legal guardian will be asked to complete a short application to verify residential status and ensure coordination of the member's care after the referral has been made.

Additional information about the CCS Program can be obtained by calling Insert Plan Name Member Services toll-free at Insert Number or by calling the local county CCS Program at Insert Number.

## Exclusions

The following vision benefits are excluded:

1. Benefits which are neither necessary nor appropriate.
2. Benefits which are not obtained in compliance with the rules and policies of the member's vision plan.
3. Vision training.
4. Aniseikonic lenses.
5. Plano (non-prescription) lenses.
6. Two pairs of glasses in lieu of bifocals, unless medically necessary and with the prior authorization of the vision plan.
7. Replacement or repair of lost or broken lenses or frames and lenses or frames lost or broken prior to being eligible for services.
8. Medical or surgical treatment of the eyes.
9. Services which are eligible for reimbursement by insurance or covered under any other insurance or health care service plan. Insert Plan Name shall provide services at the time of need, and the member or member's legal guardian will cooperate to assure that Insert Plan Name is reimbursed for such benefits.
10. Eye examinations required as a condition of employment.
11. Services or materials provided by any other group benefit providing for vision care.

## Grievance and Appeals Process

Our commitment to you is to ensure not only quality of care, but also quality in the treatment process. This quality of treatment extends from the professional services provided by Plan providers to the courtesy extended you by our telephone representatives.

If you have questions about the services you receive from a Plan provider, we recommend that you first discuss the matter with your provider. If you continue to have a concern regarding any service you received, call Insert Plan Name's Member Service at Insert Number (TDD/TTY for the hearing impaired at Insert Number).

### ***Grievance***

You may file a grievance with Insert Plan Name at any time. You can obtain a copy of Insert Plan Name's Grievance Policy and Procedure by calling our Member Service number in the above paragraph. To begin the grievance process, you can call, write, or fax the Plan at:

**Plan Name**  
**Address**  
**Telephone Number**  
**Fax Number**  
**Website**

Insert Plan Name will acknowledge receipt of your grievance within five (5) days and will send you a decision letter within thirty (30) days. If your grievance involves an emergency; you may request that Insert Plan Name expedite its grievance review. Insert Plan Name will evaluate your request for an expedited review and, if your grievance qualifies as an urgent grievance, we will process your appeal within three (3) days from receipt of your request.

You are not required to file a grievance with Insert Plan Name before asking the Department of Managed Health Care to review your case on an expedited review basis. If you decide to file a grievance with Insert Plan Name in which you ask for an expedited review, Insert Plan Name will immediately notify you in writing that:

1. You have the right to notify the Department of Managed Health Care about your grievance, and
2. We will respond to you and the Department of Managed Health Care with a written statement on the pending status or disposition of the grievance no later than three (3) days from receipt of your request to expedite review of your grievance

### ***Review by the Department of Managed Health Care***

The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against Insert Plan Name, you should first telephone Insert Plan Name at Insert Number (TDD/TTY for the hearing impaired at

Insert Number) and use Insert Plan Name's grievance process before contacting the department. Using this grievance procedure does not prohibit any legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by Insert Plan Name, or a grievance that has remained unresolved for more than 30 days, you may call the department for assistance. The Department of Managed Health Care has a toll-free telephone number, 1 (888) HMO-2219, to receive complaints regarding health plans. The hearing and speech impaired may use the department's TDD line (1-877-688-9891) number, to contact the department. The Department's Internet website (<http://www.hmohelp.ca.gov>) has complaint forms, IMR application forms and instructions online.

Insert Plan Name's grievance process and DMHC's complaint review process are in addition to any other dispute resolution procedures that may be available to you, and your failure to use these processes does not preclude your use of any other remedy provided by law.

### ***Arbitration***

[Plan to provide language. Please describe the plan's arbitration process.]

## General Information

### ***Other Vision Insurance***

It is to your advantage to let your network provider know if you have vision coverage in addition to this program. Most carriers cooperate with one another to avoid duplicate payments, but still allow you to make use of both programs.

Coverage provided under this program is secondary to all other coverage, except Medi-Cal. Benefits paid under this program are determined after benefits have been paid as a result of a member's enrollment in any other vision program.

Be sure to advise your provider of all programs under which you have coverage so that you will receive all benefits to which you are entitled. For further information, contact Insert Plan Name's Member Service department.

### ***Third Party Recovery Process and Member Responsibilities***

The member agrees that, if benefits of this Agreement are provided to treat an injury or illness caused by the wrongful act or omission of another person or third party, provided that the member is made whole for all other damages resulting from the wrongful act or omission before Insert Plan Name is entitled to reimbursement, member shall:

- Reimburse Insert Plan Name for the reasonable cost of services paid by Insert Plan Name to the extent permitted by California Civil Code section 3040 immediately upon collection of damages by him or her, whether by action or law, settlement or otherwise; and
- Fully cooperate with Insert Plan Name's effectuation of its lien rights for the reasonable value of services provided by the Insert Plan Name to the extent permitted under California Civil Code section 3040. Insert Plan Name's lien may be filed with the person whose act caused the injuries, his or her agent or the court.

Insert Plan Name shall be entitled to payment, reimbursement, and subrogation in third party recoveries and member shall cooperate to fully and completely effectuate and protect the rights of Insert Plan Name including prompt notification of a case involving possible recovery from a third party.

### ***Non-Duplication of Benefits with Workers' Compensation***

If, pursuant to any Workers' Compensation or Employer's Liability Law or other legislation of similar purpose or import, a third party is responsible for all or part of the cost of vision services provided by Insert Plan Name will provide the benefits of this Agreement at the time of need. The member will agree to provide Insert Plan Name with a lien to the extent of the reasonable value of the services provided by the Insert Plan Name. The lien may be filed with the responsible third party, his or her agent, or the court.



For purposes of this subsection, reasonable value will be determined to be the usual, customary, or reasonable charge for services in the geographic area where the services are rendered.

By accepting coverage under this Agreement, members agree to cooperate in protecting the interest of Insert Plan Name under this provision and to execute and to deliver to Insert Plan Name or its nominee any and all assignments or other documents which may be necessary or proper to fully and completely effectuate and protect the rights of Insert Plan Name or its nominee. Members also agree to fully cooperate with Insert Plan Name and not take any action that would prejudice the rights of Insert Plan Name under this provision.

### ***Coordination of Benefits***

By enrolling in Insert Plan Name each member agrees to complete and submit to Insert Plan Name such consents, releases, assignments and any other document reasonably requested by Insert Plan Name in order to assure and obtain reimbursement and to coordinate coverage with other vision benefit plans or insurance policies. The payable benefits will be reduced when benefits are available to a member under such other plan or policy whether or not claim is made for the same.

The fact that a member has double coverage under Insert Plan Name will in no way reduce member's obligation to make all required copayments.

### ***Limitations of Other Coverage***

This vision plan coverage is not designed to duplicate any benefits to which members are entitled under government programs, including CHAMPUS, Medi-Cal or Workers' Compensation. By executing an enrollment application, a member agrees to complete and submit to Insert Plan Name such consents, releases, assignments, and other documents reasonably requested by Insert Plan Name or order to obtain or assure CHAMPUS or Medi-Cal reimbursement or reimbursement under the Workers' Compensation Law.

### ***Provider Payment***

[Plan to provide language. Please describe how the Plan provides payment to the Plan's providers including the scope and general methods of payment made to the contracting providers, whether financial bonuses or any other incentives are used, and how the member may request additional information regarding payment to providers.]

### ***Reimbursement Provisions – If You Receive a Bill***

[Plan to provide language. Please describe what a member should do if he/she receives a bill or has paid for a covered service and seeks reimbursement.]

### ***Public Participation***

[Plan to provide language. Please describe the Plan's procedures to permit members to participate in establishing the Plan's public policy.]

### ***Notifying You of Changes in the Plan***

Throughout the year we may send you updates about changes in the Plan. This can include updates for the Provider Directory, handbook, and evidence of coverage. We will keep you informed and are available to answer any questions you may have. Call us toll-free (XXX) XXX-XXXX or (XXX) XXX-XXXX if you have any questions about changes in the Plan.

### ***Privacy Practices***

[Plan to provide language. Please describe the Plan's privacy practices including how the Plan maintains the confidentiality of member's medical information and include a statement indicating that a copy of the Plan's privacy policies and procedures will be furnished to the member upon request.]

### ***Organ and Tissue Donation***

Donating organs and tissues provides many societal benefits. Organ and tissue donation allows recipients of transplants to go on to lead fuller and more meaningful lives. Currently, the need for organ transplants far exceeds availability. If you are interested in organ donation, please speak with your doctor. Organ donation begins at the hospital when a patient is pronounced brain dead and identified as a potential organ donor. An organ procurement organization will become involved to coordinate the activities. The Department of Health and Human Services' Internet website (<http://www.organdonor.gov>) has additional information on donating your organs and tissues.

## **MAP OF THE PLAN'S SERVICE AREA**

## ATTACHMENT VI PROVIDER DATA FILE REQUIREMENTS

### **Provider Data File Requirements**

#### **Data Elements**

The provider data file should contain one record for each unique provider location. In other words, a provider that practices in three different offices should be listed three times. Individual and facility records should be contained in separate files. If codes are used for any fields (e.g., specialties, hospital affiliations, etc.), an appropriate decode table should be included. The following items should be included, with one field per item:

#### **For Both Individual Providers and Facilities**

1. Address
2. Suite
3. City
4. State
5. ZIP
6. County
7. Phone number (with area code)
8. Plan Identifier
9. Tax ID
10. PCP / Clinic ID

#### **For Facility Providers**

1. Name
2. Facility Type (Hospital)

#### **For Individual Providers**

1. Social Security Number
2. DEA Number
3. Last Name
4. First Name
5. Middle Name or Initial
6. Suffix
7. Degree
8. Gender
9. Role (PCP, Referral, Self-Referral)
10. Specialty(ies)
11. State License Number
12. Date of Birth
13. Board Status
14. Open/Closed Practice Indicator
15. Languages Spoken
16. Hospital Affiliation(s)
17. Clinic/Group/IPA Affiliation(s)

#### **Acceptable File Format**

Delimited ASCII file with a field description is the only acceptable file format.

#### **Acceptable Media Format**

Internet transfer is the only acceptable media format. Feel free to use some form of common data compression (such as PKZIP). If data compression is used, please note the method of compression.

## Sample File Format

The file structures shown below represents a recommended file format for submitting physician (and other healthcare provider) data, and facility data. **Note that the file format must comply with the requirements listed on page 1.**

### Provider File

Field Name	Width	Occurrences	Description / Definition
Plan Identifier	15	1	Name of the plan or panel
First	25	1	First name field
Middle	25	1	Middle name/initial field
Last	70	1	Last name field
Suffix	25	1	Jr, Sr, III, IV, etc.
Gender	1	1	Male, Female, or Unknown
Degree	25	1	MD, DO, etc.
Address	60	1	Street address or physician office location
Suite	30	1	Secondary address
City	45	1	
State	2	1	
Zip	5	1	
County	45	1	
Phone	10	1	Area code and number without dashes or spaces
Open Practice	1	1	Accepting patients, closed, unknown
PCP/Clinic ID	15	1	This is an identifier meaningful to the health plan to be used for enrollment purposes.
DEA Number	15	1	Drug enforcement agency number
License number	9	1	
DOB	8	1	Physician's Date of Birth (MMDDYYYY)
SSN	9	1	Physician's Social Security Number
Tax ID	9	1	Federal Tax ID
Role	1	1	Role within the plan or panel; Primary care, Referral, or Self-referral
Specialty	60	8	Field indicating practice specialty; if a code is used, a translation table must be included
Spoken Languages		8	Field indicating language spoken at the provider's location or by provider; if a code is used, a translation table must be included.
Language Location/Provider	60 1		Language Language spoken at location (L), by Provider (P), or both (B)
Board Status	1	8	Certified, Eligible, Not Certified, or Unknown
Hospital	60	16	Field indicating Physician's hospital affiliation
Clinic Group	50	8	Name of medical group, IPA or clinic

**Facility File**

Field Name	Width	Occurrences	Description / Definition
Plan Identifier	15	1	Name of the plan or panel
Hospital Name	70	1	Name of facility
Address	60	1	Address of facility
Suite	30	1	Secondary address
City	45	1	
State	2	1	
Zip	5	1	
County	45	1	
Phone	10	1	Area code and number without dashes or spaces
Tax ID	9	1	Federal Tax ID
Facility Type	8	1	Hospital, Clinics, SNF etc.

## Healthy Families Program Vision Plan Fact Sheet

### 2005-06 Contract Period

**If you have any questions regarding this form, please contact Dinorah Torza at (916) 323-2072.**

Plan Name: \_\_\_\_\_

Plan contact person for follow up information: \_\_\_\_\_  
(Name and phone number)

1. Please complete the Optometrists chart below.

Optometrists	2002	2003	2004
Total number of optometrists in the provider network as of January 1 <sup>st</sup> .	# _____	# _____	# _____
Number of optometrists added to the provider network during the calendar year. (Indicate number and percentage.)	# _____	# _____	# _____
	% _____	% _____	% _____
Number of optometrists that left the provider network during the calendar year. (Indicate number and percentage.)	# _____	# _____	# _____
	% _____	% _____	% _____
Total number of optometrists in the provider network as of December 31 <sup>st</sup> .	# _____	# _____	# _____

2. Please complete the Ophthalmologists chart below.

Ophthalmologists	2002	2003	2004
Total number of ophthalmologists in the provider network as of January 1 <sup>st</sup> .	# _____	# _____	# _____
Number of ophthalmologists added to the provider network during the calendar year. (Indicate number and percentage.)	# _____	# _____	# _____
	% _____	% _____	% _____
Number of ophthalmologists that left the provider network during the calendar year. (Indicate number and percentage.)	# _____	# _____	# _____
	% _____	% _____	% _____
Total number of ophthalmologists in the provider network as of December 31 <sup>st</sup> .	# _____	# _____	# _____

3. How many vision service locations or “outlets” does the plan include in the network? What percentage of vision locations is available to Healthy Family Program members through the plan that are accepting new patients as of January 1, 2005?

Total number of vision service locations \_\_\_\_\_

Number accepting new patients \_\_\_\_\_

Percentage \_\_\_\_\_

4. Does the plan require all providers to have on-site dispensing capability? If not, what percentage of the provider network does not have the on-site dispensing capability?



5. Please complete the Vision Plan Providers Network Capacity Chart. This chart requires plans to list the percentage of providers accepting new patients and the estimated number of members that the providers can serve by county as of January 1, 2005

Vision Plan Providers Network Capacity Chart				
Vision Plan Name:				
COUNTY	Number of Optometrists	Number of Optometrists accepting new patients	Percentage of Optometrists accepting new patients	Estimated number of patients that can be served in each county
Alameda				
Alpine				
Amador				
Butte				
Calaveras				
Colusa				
Contra Costa				
Del Norte				
El Dorado				
Fresno				
Glenn				
Humboldt				
Imperial				
Inyo				
Kern				
Kings				
Lake				
Lassen				
Los Angeles				
Madera				
Marin				
Mariposa				
Mendocino				
Merced				
Modoc				
Mono				
Monterey				
Napa				
Nevada				
Orange				
Placer				
Plumas				
Riverside				
Sacramento				
San Benito				
San Bernardino				
San Diego				
San Francisco				
San Joaquin				
San Luis Obispo				
San Mateo				
Santa Barbara				
Santa Clara				
Santa Cruz				
Shasta				
Sierra				
Siskiyou				
Solano				
Sonoma				
Stanislaus				
Sutter				
Tehama				
Trinity				
Tulare				
Tuolumne				
Ventura				
Yolo				
Yuba				

6. Please respond to the following questions and describe the process used for delivering vision services.

<b>I. Members Access to Services</b>	
a)	Can members see ophthalmologists without a referral for annual eye examinations?
b)	Describe how the plan will implement the contractual requirement of informing new members how to access services. (See Exhibit A, Item II.E.)
c)	Describe how the plan will assure that members who have had an initial eye examination continue to have annual vision exams.
d)	What accessibility guarantees are required in your plan's contracts with providers? For wait time for appointments, language capabilities, hours of operation.
<b>II. Member Cost Sharing</b>	
a)	Describe how the plan will determine its designation of the number and types of frames available at the \$5 copayment level.
b)	Describe how the plan will implement the federal government's requirement to exempt American Indian and Alaska Native children in HFP from all copayments in the program.
<b>III. Member Complaints and Grievances</b>	
a)	Describe the plan's policies and procedures for the submittal, processing and resolution of member complaints and grievances. Include in the definition the Plan's mechanism for documenting, tracking and ensuring that member complaints and grievances are acknowledged within the required timeframes.
b)	How will the plan contact member/applicant regarding complaints? (For example through the use of a designated staff working solely on complaints/grievances.) Please include how non-English speaking members will be assisted.

<b>IV. Member Services</b>	
a)	Describe any unique customer service features the plan offers to members. (For example, extended provider office hours.)
b)	Please describe how the plan will monitor and evaluate call waiting time and the busy or abandonment rates on your customer service phone lines.
c)	Describe how the plan will determine if there is sufficient bilingual staff on the telephone lines to serve the members in all the threshold languages.
d)	Describe the process that will be used to ensure compliance with the contractual requirement to provide an Identification Card, Provider Directory and Evidence of Coverage booklet to applicants, on behalf of members, no later than the member's effective date of coverage. What process will be used to track your performance in this area?

7. Describe any agreements contemplated or in progress between the plan and other parties which may affect the plan's ownership, corporate structure or management during the January 2005 through June 2006 time period (as allowed by State and Federal Law).
  
  
  
  
  
  
  
  
  
  
8. Describe any restrictions or pending reviews by state (including the Medi-Cal program) or federal authorities for non-compliance with state or federal regulations or contracts for medical services.

This 2005 Vision Plan Fact Sheet for the Healthy Families program must be signed by the person authorized to sign the vision plan's contract.

To the best of my knowledge, all statements and data reported by \_\_\_\_\_  
(Vision Plan name) in this Vision Plan Fact Sheet 2005/2006 for the Healthy Families Program are true and accurate. I understand that all responses to questions included in the Fact Sheet except items # 7 and # 8 may be included in comparative charts in the Healthy Families Program brochure or other public documents produced by MRMIB.

Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Instructions for Vision Plans with a 2004-05 HFP Contract  
Plan Descriptions, Comparative Charts and the Language Grid**

**PLAN DESCRIPTIONS**

Attached is your plan description from the 2004-05 HFP Handbook. Please update the description, if necessary, by indicating changes in red ink. Any changes to your current plan description should be consistent with the following:

**1. Plan Description Length and Typeface**

Plan descriptions must be limited to no more than 310 words. Descriptions that are too long will be revised. The font and font size can be no smaller than Times 10 point.

Plans will have the opportunity to review the revised information and layout in the HFP Handbook before the final production. Please note that new changes will not be accepted during this review.

**2. Plan logo, toll-free numbers, and language capabilities**

- a. Plan logo should appear in the designated 1" x 2 ¾" space on the page.
- b. Plan's toll-free phone number should appear under the logo. All toll-free numbers for each service area or different services should be included if applicable.
- c. Phone hours.
- d. Language capabilities.

**LOGO**

1-800-111-2222  
Call 7am to 7pm  
English and Spanish

**3. Text to be included**

- a. Why choose your plan:  
Plan may include comments regarding quality assurance and/or accreditations received.
- b. How the plan works:  
Plans should provide a clear and concise description for this section. This should be the longest section.
- c. How to choose:  
This section should be brief.

**COMPARATIVE CHARTS AND LANGUAGE GRID**

Attached are the comparative chart and the language grid from the 2004-05 HFP Handbook. Please update your plan's information by indicating changes in red ink.

**Plan Description, Comparative Chart and  
Language Grid Changes Verification Sheet**

**Plan Description**

\_\_\_\_\_ We do not have changes for the current plan description.

\_\_\_\_\_ We have made the enclosed changes to the current plan description.

**Comparative Chart**

\_\_\_\_\_ We do not have changes for the current comparative chart.

\_\_\_\_\_ We have made the enclosed changes to the current comparative chart.

**Language Grid**

\_\_\_\_\_ We do not have changes for the language grid

\_\_\_\_\_ We have made the enclosed changes to the Language grid

Plan Contact Information

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Date of submission: \_\_\_\_\_

***[Plan-specific Plan Description, Comparative Chart and Language Grid  
will be sent to currently participating plans in October 2004]***

**Instructions for Vision Plans Not Currently Participating in HFP  
Plan Descriptions, Comparative Charts and the Language Grid**

**PLAN DESCRIPTIONS**

Please complete the attached Plan Description. The Plan Description should be consistent with the following:

**1. Plan Description Length and Typeface**

Plan descriptions must be limited to no more than 310 words. Descriptions that are too long will be revised. The font and font size can be no smaller than Times 10 point.

Plans will have the opportunity to review the revised information and layout in the HFP Handbook before the final production. Please note that new changes will not be accepted during this review.

**2. Plan logo, toll-free numbers, and language capabilities**

- a. Plan logo should appear in the designated 1" x 2 ¾" space on the page.
- b. Plan's toll-free phone number should appear under the logo. All toll-free numbers for each service area or different services should be included if applicable.
- c. Phone hours.
- d. Language capabilities.

**LOGO**

1-800-111-2222  
Call 7am to 7pm  
English and Spanish

**3. Text to be included**

- a. Why choose your plan:  
Plan may include comments regarding quality assurance and/or accreditations received.
- b. How your plan works:  
Plans should provide a clear and concise description for this section. This should be the longest section.
- c. How to choose:  
This section should be brief.

**COMPARATIVE CHARTS AND LANGUAGE GRID**

Attached are copies of the comparative chart and the language grid from the 2004-05 HFP Handbook. Please complete the attached Comparative Chart and Language Grid.



Program Description

**PLAN LOGO**

Toll Free Telephone Number  
Customer Service Hours  
Language Capabilities

Why choose Insert Plan Name

How The Plan Works

How to Choose

Comparative Chart

Answers To Commonly Asked Questions About Vision Plans

*Vision*

What is the maximum length of time between requesting an appointment and being seen for a routine annual vision exam?	
Can members see a medical doctor (Ophthalmologist) for annual examinations?	
<b>Vision Plan Statistics:</b>	
Total number of California members**	
Does the plan require its members to use Binding Arbitration to resolve disputes?**	

\*\* This number represents the insurance plan's membership as of January 1, 2005.

\*\*\* To get additional information about each insurance plan's dispute resolution provisions, call the plan or refer to the plan's Disclosure Form and Evidence of Coverage booklet, which is available upon request for each plan.

Language Grid

The following chart shows which plans have made written materials available in different languages.

Plan Name	Evidence of Coverage	Member Handbook and Welcome Letters	Newsletters and Brochures	Medical Care Reminders
Plan 1	Spanish, Chinese	Spanish, Chinese	Spanish, Chinese, Vietnamese	Spanish, Chinese, Vietnamese
Plan 2	Spanish, Korean, Chinese	Spanish, Korean, Chinese	Spanish, Korean, Chinese	Spanish, Korean, Chinese
Your Plan				

---

Plan Name

**HEALTHY FAMILIES PROGRAM**  
**Cultural and Linguistic Services Report**

This report is to be completed by plans with a 2004-05 HFP contract ("**current plans**") and all plans proposing to serve HFP subscribers in 2005-08 ("**proposed plans**"). **Proposed plans** include plans new to HFP ("**new plans**"), as well as current plans proposing to continue serving HFP subscribers.

Plans should report in a narrative format the linguistically and culturally appropriate services provided and proposed to be provided to meet the needs of limited English proficient applicants and subscribers in the Program. Submission of this report fulfills the requirement in the 2004-05 contract for currently participating plans to submit a C&L report by December 10, 2004 (Exhibit A, Item III.C.3.c.). Please follow the instructions carefully and note that proposed plans must provide additional information.

**NOTE: Responses to all or part of the following questions may be made publicly available.**

**A. Linguistic Services**

*Current plans and proposed plans should complete this section with reference to **current** C&L services for HFP subscribers. New plans should complete the responses with reference to a current non-HFP product line and identify the product line used. Additionally, all proposed plans should indicate what changes, if any, they would make to their current C&L services to fulfill the model contract requirements for 2005-06.*

1. a. **(for current and proposed plans)** Please describe the plan's current methodology for assigning members to culturally and linguistically appropriate providers.
- b. **(for proposed plans)** Would the plan make any changes for 2005-06?
2. **(for current and proposed plans)** Please describe how the plan currently makes interpreter services available to subscribers. **Proposed plans** should additionally describe any changes the plan would make for 2005-06 to comply with the HFP model contract. In your description, please:
  - a. Describe how the plan provides 24 hour access to interpreter services for all limited English proficient (LEP) subscribers, including the accommodations for providing an interpreter, if requested, for a scheduled appointment. Describe how the plan ensures that subcontracted providers comply with these requirements. (Reference: HFP Contract, Exhibit A, Item III.C.1.b.)
  - b. Describe how the plan identifies LEP subscribers, records the language needs of each LEP subscriber in the subscriber's membership record, and informs each LEP subscriber's designated provider of the subscriber's language needs. (Reference: HFP Contract, Exhibit A, Item III.C.1.c.)

- c. Describe how the plan ensures and monitors that requests or refusals of language interpreter services by subscribers are documented in the medical records of plan providers. (Reference: HFP Contract, Exhibit A, Item III.C.1.d.)
- d. Provide a copy of the policies and procedures discussed in Items 2.a., 2.b., and 2.c.
- e. Describe how the plan ensures that subscribers and providers are made aware of the availability of free interpreter services through the plan. (Reference: HFP Contract, Exhibit A, Item III.C.1.e)

In your description, please:

- i. Describe how the plan informs subscribers and providers of:
    - a) The availability of interpreter services at no charge;
    - b) The subscriber's right not to use family members or friends as interpreters;
    - c) The subscriber's right to request an interpreter during discussions of medical information, such as diagnosis of medical conditions and proposed treatment options, and explanations of plans of care or other discussions with providers;
    - d) The subscriber's right to receive written materials in the subscriber's primary language;
    - e) The subscriber's right to file a complaint or grievance if he or she believes his or her linguistic needs are not met.
  - ii. Provide a copy of the policies and procedures discussed in 2.e. and 2.e.i.
- f. Describe how the plan ensures that there is appropriate bilingual proficiency at medical and non-medical points of contact. (Reference: HFP Contract, Exhibit A, Item III.C.1.f.)

**B. Translation of Written Materials**

*Current plans should complete the following responses with reference to current translations for HFP subscribers. New plans should respond with reference to a current non-HFP product line and identify the product line used.*

1. **(for current and proposed plans)** For each of the member materials listed below, please list the non-English languages in which the plan translates the materials. Please note that the information provided will be included in comparative charts in the Healthy Families Program brochure or other public documents. (Reference: HFP Contract, Exhibit A, Item III.C.2.a).

<b>Plan Documents</b>	<b>Current Languages</b>
Evidence of Coverage document (or Certificate of Insurance)	
Member Handbook and information on how to use "member handbook"	
Welcome letter	
Newsletters	
Preventive services reminders	
Disclosure forms	
Consent Forms	
Letter and notices reducing, denying, modifying or terminating services or benefits	
Form letters	
Letters and notices requiring a response from the subscriber	
Patient satisfaction surveys	
Notice of free language assistance	
Provider listings	
Marketing materials	
Complaints and Grievance process materials	
Emergency Room follow-up	
Any documents required by law or affecting any legal right or responsibility	
Other (please describe)	

2. a. **(for current and proposed plans)** Describe how the plan currently ensures that members who are unable to read the written materials that have been translated into non-English languages have access to the contents of the written materials. (Reference: HFP Contract Exhibit A, Item III.C.2.a.)
- b. **(for proposed plans)** Describe any changes that would be made for 2005-06 to provide an alternative form of access for subscribers described in 2.a. and to provide written materials at a sixth grade reading level. (Reference: HFP Model Contract Exhibit A, Item II.C.2.a.)
3. a. **(for current and proposed plans)** Describe how the plan ensures the quality of currently translated materials. (Reference: HFP Contract Exhibit A, Item III.C.2.b.)
- b. **(for proposed plans)** Describe any changes that would be made for 2005-06 to ensure the quality of translated materials. (Reference: HFP Model Contract Exhibit A, Item III.C.2.b.)

**C. Cultural and Linguistic Group Needs Assessment**  
**(to be completed by current plans only)**

1. In your last C & L report, your plan included an update of activities and services to implement findings from your Group Needs Assessment (GNA). Please provide an update in your response. (Reference: HFP Contract, Exhibit A, Item III.C.3.a)
  - a. What services and/or activities did your plan accomplish in the **2003-04** Benefit year?
  - b. What services and/or activities in the outline provided in your last C&L report for **2003-04** have not been accomplished? Please describe your current plans of action and timeline for implementation of the activities.
  - c. What additional or new services or activities will your plan be implementing in **2004-05** to further address the GNA findings? Please include an outline of these services and/or activities and the timeline for implementation with milestones.
2. Describe how your plan provides an opportunity for representatives of subscribers enrolled in the Program to provide input in the development of health education programs in response to needs identified in your plan's GNA. If a committee was used, please provide name of the committee and how often the committee meets. (Reference: HFP Contract, Exhibit A, Item III.C.3.c)

**D. Operationalizing Cultural and Linguistic Competency**

*Current plans should complete this section with reference to C&L policies and procedures for HFP subscribers. New plans should complete the responses with reference to a current non-HFP product line and identify the product line used.*

1. a. **(for current plans only)** Describe the internal systems the plan developed during the **2003-04** year to meet the cultural and linguistic needs of subscribers. In your response, please indicate whether any of the following were implemented: (Reference: HFP Contract, Exhibit A, Items III.C.3.a and III.C.3.b.)
  - i. Establishing and maintaining a process to evaluate and determine the need for special initiatives related to cultural competency
  - ii. Developing recruitment and retention initiatives to establish organization-wide staffing that is reflective and/or responsive to the needs of the community
  - iii. Establishing a special office or designated staff to coordinate and facilitate the integration of cultural competency guidelines
  - iv. Providing an array of communication tools to distribute information to staff relating to cultural competency issues
  - v. Maintaining an information system capable of identifying and profiling cultural and linguistic specific patient data
  - vi. Evaluating the effectiveness of strategies and programs in improving the health status of cultural defined populations
- b. **(for current and proposed plans)** Describe any activities that the plan has or will implement in **2004-05** to develop its internal systems.
- c. **(for proposed plans)** Describe any activities that the plan will implement in **2005-06** to develop its internal systems. (Reference: HFP Model Contract Exhibit A, Items III.4.a. and III.4.b.)
2. a. **(for current and proposed plans)** Describe what initial and continuing training on cultural competency is given to staff and providers (include course description, date, duration, and frequency of training session). (Reference: HFP Model Contract, Exhibit A, Item III.C.4.a)
  - i. How is the effectiveness of this training evaluated? Include feedback from subscriber surveys, staff, providers, encounter/ claim data.
  - ii. Provide a copy of training curriculum presented to staff and providers.
- b. **(for proposed plans)** Describe any changes the plan would make for 2005-06 to comply with the model contract. (Reference: HFP Model Contract, Exhibit A, Item III.C.4.a.)



3. a. **(for current and proposed plans)** Describe how the plan participates with government, community, and educational institutions in matters related to best practices in cultural competency in managed health care to ensure the plan maintains current information and an outside perspective in its policies. (Reference: HFP Model Contract, Exhibit A, Item III.C.4.b.)  
  
b. **(for proposed plans)** Describe any changes the plan would make for 2005-06.
  
4. a. **(for current and proposed plans)** Describe how the plan assesses the cultural competence of the plan's providers on a regular basis. (Reference: HFP Model Contract, Exhibit A, Item III.C.4.b.)  
  
b. **(for proposed plans)** Describe any changes the plan would make for 2005-06.
  
5. a. **(for current and proposed plans)** Describe how the plan ensures that referrals to culturally and linguistically appropriate community services program are made. (Reference: HFP Model Contract, Exhibit A, Item III.C.4.c.)  
  
b. **(for proposed plans)** Describe any changes the plan would make for 2005-06.
  
6. a. **(for current and proposed plans)** Describe how the plan evaluates its cultural and linguistic services and outcomes of cultural and linguistic activities as part of the plan's ongoing quality improvement effort. (Reference: HFP Model Contract, Exhibit A, Item III.C.4.c)  
  
b. **(for proposed plans)** Describe any changes the plan would make for 2005-06.

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Contact Person

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e-mail

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Title

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Phone Number

CCC-304

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

**CONTRACTOR CERTIFICATION CLAUSES**

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
  - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
  - b. Establish a Drug-Free Awareness Program to inform employees about:
    - 1) the dangers of drug abuse in the workplace;
    - 2) the person's or organization's policy of maintaining a drug-free workplace;
    - 3) any available counseling, rehabilitation and employee assistance programs; and,
    - 4) penalties that may be imposed upon employees for drug abuse violations.
  - c. Every employee who works on the proposed Agreement will:
    - 1) receive a copy of the company's drug-free workplace policy statement; and,
    - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be

ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)
4. UNION ORGANIZING: Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.
5. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

6. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.
7. SWEATFREE CODE OF CONDUCT:
  - a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in

sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

- b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).
8. **DOMESTIC PARTNERS:** Commencing on July 1, 2004 Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1 2004 and prior to January 1, 2007, a contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

### **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.
  - a. Current State Employees (PCC 10410):
    - 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
    - 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
  - b. Former State Employees (PCC 10411):
    - 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)
3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:
  - a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
  - b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
  - c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.
6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing

body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

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## ENCLOSURE 6 Instructions

### California Healthy Families Vision Rate Development for Contract Year July 2005 through June 2006

#### Instructions

**Prepare a separate projection for each Healthy Families Product. Highlighted cells containing certain key calculations are locked and cannot be modified.**

**Schedule 1:** If applicable, provide historical utilization and costs for your Healthy Families Program (HFP) population by region, and for the state as a whole if your product is in more than one region. Provisions for incurred but not reported (IBNR) claims should be included in the reported figures, as appropriate. For each category of service, please provide the following:

- 1) Please provide the Healthy Families member months for the data period. This information is used in the calculated fields to derive the "Annual Utilization rate per 1,000 members" **[Column D]** and the "Gross Cost Per Unit of Service" **[Column E]**.
- 2) **Column A:** A description of what the unit counts represent (for example, visits, claims, units of service).
- 3) **Column B:** The Total Cost by vision service.
- 4) **Column C:** The Total Unit Count by vision service.
- 5) **Column D - Calculated Field:** The annual utilization rate per 1,000 members. This is calculated as units of service provided during the data period divided by the member months for the data period multiplied by 12,000.
- 6) **Column E - Calculated Field:** The Gross Cost per Unit of Service. This is calculated as total costs of service **[Column B]** divided by the total units of service **[Column C]** provided during the data period.
- 7) **Column F:** The Average Copay per Unit of Service. This should be calculated as the total copayments collected divided by the total units of service, within each category of service.
- 8) **Column G - Calculated Field:** The Net Cost Per Unit of Service. This is calculated as the "Gross Cost per Unit" **[Column E]** minus the "Copay per Unit" **[Column F]**.
- 9) **Column H - Calculated Field:** The Cost per Member per Month (PMPM). This is calculated by multiplying the "Annual Utilization Rate per 1,000 members" **[Column D]** and the "Net Cost per Unit" **[Column G]** and dividing the results by 12,000.
- 10) **Column I:** The percentage of enrollees receiving service during the year.

## California Healthy Families

## Vision Rate Development for Contract Year July 2005 through June 2006

Instructions

**Schedule 2:** Using experience from the HFP provide projected trends and other adjustments for your HFP population by region. For 2005-2006, plans new to the HFP within the past 2 years should skip to Schedule 3B.

1) Enter your expected annual utilization and unit cost trend rates from the data period through the 2005-2006 contract period. For example, if you project Restorative utilization will decrease by 5% per year and unit costs will increase by 10% per year, enter -5 and 10 in the Utilization and Unit Cost columns, respectively. The annual trend rate for per member per month costs is automatically calculated. The trend factors (the amount by which your reported experience will be adjusted for trend are also automatically calculated. If the appropriate number of trend months is different than 24, please enter the correct number and provide an explanation for the difference. The number of trend months should be from the midpoint of the experience period to the midpoint of the contract period (1/1/2006). Also, please provide an explanation of the source of your trend assumptions in the space provided.

2) As appropriate, enter any additional adjustment factors to be applied to project historical costs to the contract period. These factors will be automatically applied to the historical utilization rates to produce the projected utilization in Schedule 3A. Provide a brief description of the reason for the adjustments next to the factor. Further space is provided at the bottom of the schedule if necessary to adequately describe the nature of the adjustments.

**Schedule 3A:** This schedule develops the expected 2005-2006 vision care costs for the HFP population in each region. If Healthy Families experience was reported in Schedule 1, Schedule 3A is automatically populated using the reported experience and the assumptions in Schedule 2. If experience other than Healthy Families is being used, perform the cost projections using Schedule 3B.

**Schedule 3B:** Complete this schedule only if your plan was new to HFP within the past two years. You may use data other than HFP experience for the rate development process. Identify the data source for the utilization and cost assumptions. As in Schedule 1, enter the utilization, unit cost, and copayment assumptions in columns (A), (B), (C), (F). Columns (D), (E), (G), (H) are calculated fields. The unadjusted vision care cost will be automatically calculated.

**Schedule 4:** Report administrative costs per member per month for the HFP in the categories shown. Enter your projected vision care costs from Schedule 3A or Schedule 3B, as appropriate. Schedule 4 calculates your rate bid as the sum of the administrative costs and the projected vision care costs.



## ENCLOSURE 6 Instructions

### California Healthy Families Vision Rate Development for Contract Year July 2005 through June 2006

#### Instructions

**Schedules 5 and 6:** Complete the loss ratio report. For current HFP plans, the expenses reported on Line 11 (TOTAL VISION) of Schedule 6 should be equivalent to the Total Vision Care Expenditures calculated at the bottom of Schedule 1.

For vision plans submitting information for multiple regions, the Schedules 5 and 6 submitted should be a consolidation for all regions. Also, this Schedule 5 and 6 should be in the workbook for the first region that your plan is submitting a bid for (ie. If your plan is submitting a bid for Regions 1 through 6, then the consolidated Schedule 5 and 6, will be in the workbook for Region 1).

**Schedule 7:** Fill out this schedule if your loss ratio is below your contractual level. The schedule asks for an explanation if the loss ratio is below the contractual level and for a description of the methods you intend to use to reach your target loss ratio.

**Schedule 8:** This is a presentation of your rate projection and must equal the prices on Schedule 4.

**Schedule 9:** List number of members by payor (Medical vs Other).

**Schedule 10:** Provide a certification by your vision plan's actuary that the experience for 2003-2004 is accurate and that the assumptions used to project costs during the contract period are reasonable.

**Submit Schedules 1 through 10 via e-mail to Stuart Busby, Financial Operations Officer ([sbusby@mrrib.ca.gov](mailto:sbusby@mrrib.ca.gov)). Mail a signed hard copy of Schedule 10 (Actuarial Certification) to Stuart Busby c/o MRMIB, 1000 G St. Suite 450, Sacramento, CA 95814. All documents must be received by 5 p.m. January 6, 2005.**

# Schedule 1

**California Healthy Families**  
**July 2005 - June 2006 Rate Development**  
**Utilization and Cost Experience July 2003 through June 2004**  
 Fill out one for each Region and Statewide (if applicable)

Plan Name \_\_\_\_\_

(Specify Region or Statewide) \_\_\_\_\_

HFP Member Months July 2003 - June 2004

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Description of Units (e.g., days, claims, units of service)	Total Cost	Total Units	Annual Units per 1000 Members	Gross Cost per Unit	Copay per Unit	Net Cost per Unit	Cost PMPM	Percent of enrollees receiving service during the year
Vision Services									
Exams					\$ -		\$ -	\$ -	0.0%
Frame & Lenses					\$ -		\$ -	\$ -	0.0%
Contact Lenses					\$ -		\$ -	\$ -	0.0%
Other Services					\$ -		\$ -	\$ -	0.0%
Capitation								\$ -	
Provider Incentive Payments								\$ -	
Net Reinsurance Costs								\$ -	
UM/QA Costs								\$ -	
Total including Provider Incentive Payments								\$ -	
Total excluding Provider Incentive Payments								\$ -	
Total Vision Care Expenditures								\$ -	

# Schedule 2

## California Healthy Families

### July 2005 - June 2006 Rate Development

#### Assumptions Used to Project Costs for July 2005 - June 2006

Fill out one for each Region

Plan Name \_\_\_\_\_

Specify Region \_\_\_\_\_

Months of Trend (should be 24 if data from 2003/2004 contract year used as the base):

24

If different than 24, please explain: \_\_\_\_\_

#### Vision Services

Annualized Trend Rates			Trend Factors			Other Adjustments	
Utilization	Unit Cost	PMPM	Utilization	Unit Cost	PMPM	Factors	Description
		0.00%	1.000	1.000	1.000	1.000	
		0.00%	1.000	1.000	1.000	1.000	
		0.00%	1.000	1.000	1.000	1.000	
		0.00%	1.000	1.000	1.000	1.000	
					1.000	1.000	
					1.000	1.000	
					1.000	1.000	
					1.000	1.000	

Source of trend assumptions:

Other Adjustments:

# Schedule 3A

**California Healthy Families**  
**July 2005 - June 2006 Rate Development**  
**Projected Vision Care Costs for July 2005 - June 2006**  
**Based on Healthy Families Experience Projection**  
 Fill out one for each Region

Plan Name \_\_\_\_\_

Specify Region \_\_\_\_\_

**Vision Services**

	(A) Annual Units per 1000 Members	(B) Gross Cost per Unit	(C) Copay per Unit	(D) Net Cost per Unit	(E) Cost PMPM
Exams		\$ -	\$ -	\$ -	\$ -
Frame & Lenses		\$ -	\$ -	\$ -	\$ -
Contact Lenses		\$ -	\$ -	\$ -	\$ -
Other Services		\$ -	\$ -	\$ -	\$ -
Capitation					\$ -
Provider Incentive Payments					\$ -
Net Reinsurance Costs					\$ -
UM/QA Costs					\$ -
Total including Provider Incentive Payments					\$ -
Total excluding Provider Incentive Payments					\$ -

**GO ON TO SCHEDULE 3B**

# Schedule 3B

**Projected costs for July 2005 - 2006**  
**July 2005 - June 2006 Rate Development**  
**Projected Vision Care Costs for July 2005 - June 2006**  
**New Plans (in Healthy Families Program 2 years or less)**  
Fill out one for each Region

Plan Name \_\_\_\_\_

Specify Region \_\_\_\_\_

Data source for developing assumptions [e.g., Commercial, Other (describe)]: \_\_\_\_\_

HFP Member Months July 2003 - June 2004

**Vision Services**

	(A) Description of Units (e.g., days, claims, units of service)	(B) Total Costs	(C) Total Units	(D) Annual Units per 1000 Members	(E) Gross Cost per Unit	(F) Copay per Unit	(G) Net Cost per Unit	(H) Cost PMPM
Exams					\$ -		\$ -	\$ -
Frame & Lenses					\$ -		\$ -	\$ -
Contact Lenses					\$ -		\$ -	\$ -
Other Services					\$ -		\$ -	\$ -
Capitation								\$ -
Provider Incentive Payments								\$ -
Net Reinsurance Costs								\$ -
UM/QA Costs								\$ -
Total								\$ -
Adjustment for California Children's Services								\$ -
Total after adjustments								\$ -
Total vision expenditures costs after adjustments								\$ -

# Schedule 4

**California Healthy Families**  
**July 2005 - June 2006 Rate Development**  
**Projected costs for July 2005 - June 2006**  
**Administrative Costs and Rate Bid**  
 Fill out one for each Region

Plan Name \_\_\_\_\_

Specify Region \_\_\_\_\_

**Administrative costs**

Claims processing, data processing, customer service  
 General administrative overhead  
 Marketing: Communication, education, printing  
 Provider contracting, managed care network maintenance  
 Risk charges (identify) \_\_\_\_\_  
 Profit  
 Other (identify) \_\_\_\_\_

Total administrative costs

Total vision care costs from Schedule 3A or 3B

Rate projection ( total per member per month premium)

Cost PMPM	Percent of premium
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%

## Schedule 5

### HEALTHY FAMILIES PROGRAM July 2005 - June 2006 Rate Development 7/03 - 6/04 LOSS RATIO REPORT

Plan Name \_\_\_\_\_

Did your plan have a minimum 1,000 HFP enrolled subscribers per month for six or more months in the July 03 - June 04 benefit year?

Yes  
No


**NOTE: All Plans, regardless of enrollment must complete the loss ratio report.**

Total \$ amount of covered benefits for services provided to HFP subscribers from 7/1/03 - 6/30/04 \*

\$	-
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Total \$ amount of premiums received from the state for HFP subscribers from 7/1/03 - 6/30/04 \*\*

\$	-
----	---

Total \$ amount received as incentive payment from 7/1/03-6/30/04 \*\*\*

\$	-
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Healthy Families Program 7/1/03 - 6/30/04 Benefit Year Actual Loss Ratio including Incentive Payments  
(Sch. 6: (Item 11 PLUS Item 4) DIVIDED by Item 1 = (Item 11+ Item 4) / Item 1)

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Healthy Families Program 7/1/03 - 6/30/04 Benefit Year Actual Loss Ratio excluding Incentive Payments  
(Sch. 6: Item 11 DIVIDED by Item 1 = Item 11 / Item 1)

--

Healthy Families Program 7/1/03 - 6/30/04 Benefit Year Minimum Loss Ratio in Contract

--

Difference between Actual Loss Ratio including Incentive Payments above  
and Minimum Loss Ratio in Contract (Over / (Under))

--

Difference between Actual Loss Ratio excluding Incentive Payments above  
and Minimum Loss Ratio in Contract (Over / (Under))

--

\* Total from Item # 11 on the Statement of Revenue and Expenses Report, Schedule 6

\*\* Total from Item # 1 on the Statement of Revenue and Expenses Report, Schedule 6

\*\*\* Total from Item # 4 on the Statement of Revenue and Expenses Report Schedule 6

If your plan's **Actual Loss Ratio** is lower than the **Minimum Loss Ratio in Contract**, complete the Loss Ratio Description Schedule 7

# Schedule 6

## HEALTHY FAMILIES PROGRAM 2003-2004 LOSS RATIO REPORT STATEMENT OF REVENUE AND EXPENSES

Plan Name \_\_\_\_\_ Healthy Families Benefit Year  
July 1, 2003 - June 30, 2004

SUBSCRIBER MONTHS (Healthy Families Program subscribers only) \_\_\_\_\_

### REVENUES: (Healthy Families Program only)

1. Premium Payments from State	\$ -
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### AFFILIATED ENTRIES AND NONAFFILIATED ENTRIES:

2. Incentive Payments to affiliated parties	\$ -
3. Incentive Payments by to nonaffiliated parties	\$ -
4. Total Incentive Payments	\$ -

### EXPENSES: (Healthy Families Program only)

#### Vision Services:

5. Exams	\$ -
6. Frames & Lenses	\$ -
7. Contact Lenses	\$ -
8. Other Services	\$ -
9. Reinsurance Expenses	\$ -
10. Incentive Pool Adjustment	\$ -
11. TOTAL VISION SERVICES (Line 5 to Line 10)	\$ -

#### Administration:

12. Compensation	\$ -
13. Interest Expense	\$ -
14. Occupancy, Depreciation and Amortization	\$ -
15. Management Fees	\$ -
16. Marketing	\$ -
17. Affiliate Administration Services	\$ -
18. Aggregate Write-ins for Other Administration Expenses	\$ -
19. TOTAL ADMINISTRATION (Line 12 to Line 18)	\$ -
20. TOTAL EXPENSES (Line 4, Line 11, & Line 19)	\$ -
21. INCOME (LOSS) (Line 1 less Line 20)	\$ -
22. Extraordinary Item	\$ -
23. Provision for Taxes	\$ -
24. NET INCOME (LOSS) (Line 21 plus Line 22 & Line 23)	\$ -

Line 11 TOTAL VISION EXPENSE	\$ -
Schedule 1 Total Vision Care Expenditures	\$ -
Difference	\$ -

Explain any difference: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**HEALTHY FAMILIES PROGRAM 2003-2004 LOSS RATIO REPORT**

Plan Name \_\_\_\_\_

If your plan's Actual Loss Ratio is lower than your Minimum Loss Ratio in Contract, provide a detailed response explaining 1) why the actual loss ratio was significantly below the contractual standard and 2) plans you have to assure the Board that future loss ratios will be consistent with the contractual standard agreed to in your contract. Please respond to the following specific questions. Your response can be provided in a separate file if you prefer.

1. Why is your company's actual loss ratio substantially lower than the projected value for the 2003-2004 benefit year?

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2. How do your HFP provider payments compare to your contractual payments in:

- The MediCal Program?
- Commercial products?
- The payment schedules set forth in the Medicare program?

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3. How does your company's HFP utilization experience in each of the service categories compare to your company's children's utilization experience in:

- The MediCal Program?
- Commercial products?

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4. Does your plan offer providers any type of "end of year" payment incentive program? If so, please describe. Include in your description any differences in the allocation of incentive payments to affiliated and non-affiliated groups or other distinctions in how incentive payments are made by group.

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5. What does your plan do to encourage families to seek out and utilize preventive services? Do you have plans to improve provider's behavior with regard to providing and reporting appropriate preventive care visits? If so, please describe.

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6. Are there other factors that explain your plan's low loss ratio? If yes, please describe.

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7. What are the methods you will use to reach your target loss ratio?  
When would you expect that to occur?

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Schedule 8

Healthy Families Program  
Contract No. \_\_\_\_\_

Confidential Attachment

Rates of Payment  
Page \_\_\_\_ of \_\_\_\_

PREMIUM RATES

Premium Rates for the July 1, 2005 - June 30, 2006 benefit year.

Note: Bid should match the figure shown in Schedule 4.

	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per Subscriber age 1 to 18 years of age						

## Schedule 9

**HEALTHY FAMILIES PROGRAM**  
**July 2005 - June 2006 Rate Development**  
**Number of Members for Dec 31, 2003 and Dec 31, 2004**

Plan Name: \_\_\_\_\_  
Contract No.: \_\_\_\_\_  
Contact Person & Phone Number for Follow-Up: \_\_\_\_\_

Payor	As of 12/31/2003		As of 12/31/2004	
	Subscribers	Subscribers and Dependents	Subscribers	Subscribers and Dependents
Medi-Cal				
All California Business				

**California Healthy Families**  
**July 2005 - June 2006 Rate Development**  
**Projected costs for July 2005 - June 2006 and Loss Ratio Report**  
**Certification of Claims Experience and Cost Projections**

Plan Name \_\_\_\_\_

I certify that the claims experience and cost projections are accurate and appropriate for the California Healthy Families Program.

By: \_\_\_\_\_  
Print name Date  
  
\_\_\_\_\_  
Signature & Title Phone number



**The California Managed Risk Medical Insurance Board**  
1000 G Street, Suite 450  
Sacramento, CA 95814  
(916) 324-4695 FAX: (916) 327-9661

**Board Members**  
Clifford Allenby, Chair  
Areta Crowell, Ph.D.  
Richard Figueroa  
Virginia Gotlieb, M.P.H.  
Sandra Hernández, M.D.

**Healthy Families Program  
Rural Health Demonstration Projects  
2005-2007 Contract Exhibit and Proposal Solicitation**

This notice provides important information regarding the Managed Risk Medical Insurance Board's (MRMIB) intention to address unique access problems of rural areas and special populations in the Healthy Families Program (HFP). **Entities eligible to respond to this solicitation are those health, dental, and vision plans that respond to the general solicitation to provide services to HFP subscribers for the period of July 1, 2005 through June 30, 2008.**

The Rural Health Demonstration Project (RHDP) solicitation covers proposals for two fiscal years, July 1, 2005 through June 30, 2006 and July 1, 2006 through June 30, 2007. Funding for these projects will be awarded for the two fiscal years.

**A bidder's conference on the general solicitation and the RHDP will be held on Tuesday, November 09, 2004, from 1:00 p.m. to 4:00 p.m., in the auditorium of the State Personnel Board, 801 Capitol Mall, Sacramento, California.** During the bidder's conference, MRMIB staff will review the RHDP Contract Exhibit and Solicitation Package and answer questions from participating plans. The RHDP solicitation will be the last agenda item in the bidder's conference.

This packet contains the necessary information to participate in the RHDP for the July 1, 2005 through June 30, 2007 contract period. **Entities wishing to submit a proposal must ensure their proposals are received at the MRMIB offices by no later than 5:00 p.m. Friday, January 14, 2005.** Late submissions will not be accepted.

**Background**

The HFP is a state and federally funded health, dental and vision coverage program for children with family incomes above the income limit for no-cost Medi-Cal and at or below 250% of the federal poverty level (\$3,265/mo. for a family of three). The program began coverage for children on July 1, 1998. The MRMIB administers the HFP.

The Rural Health Demonstration Projects (RHDPs) are authorized in Section 12693.91 of the Insurance Code. Since their inception in FY 1998-99, the RHDPs have increased access to health, dental, and vision care through the implementation of two strategies.

- **Geographic Access Strategy:** The Geographic Access Strategy funds projects that address the lack of adequate health care services in rural and frontier

communities. Plans submitting proposals under the Geographic Access Strategy must propose projects addressing access issues within the boundaries of rural MSSAs. Under this strategy, MRMIB provides incentives to participating HFP plans in the form of rate enhancements or lump sum payments to develop services in isolated rural areas where such services are severely limited or do not exist.

The definition of “rural” as used in the RHDP is an area of the state designated as a Rural Medical Service Study Area (MSSA). A rural MSSA is an area with (1) a population density of less than 250 persons per square mile, and (2) no incorporated community with a population greater than 50,000 within the area. Further information about rural MSSAs can be accessed via the internet at [www.ruralhealth.ca.gov](http://www.ruralhealth.ca.gov) or by calling Alba Quiroz-Garcia, Program Analyst, at (916) 327-7969.

- **Special Populations Strategy:** The Special Populations Strategy funds projects in communities with underserved populations of migrant or seasonal farm workers (such as farm workers and fishing and forestry workers) and American Indians. Plans submitting proposals under the Special Populations Strategy must address barriers preventing access to health care for these special population groups. Under this strategy, MRMIB provides lump sum payments to HFP participating plans to expand services to one or more of the designated special populations.

The definition of special populations is provided in the HFP regulations (Title 10, CCR Section 2699.6500 (kk)). The RHDP for special populations is not limited to rural areas of the State, and can be for any area where there is a need to address unique access problems of the special populations.

MRMIB has funded 278 projects through the HFP RHDPs since 1998. Examples of projects funded include: (1) extended provider hours, (2) mobile dental and health vans, (3) increased available providers by funding medical personnel, (4) rate enhancements to develop or increase services in areas where health care services are not available, and (5) telemedicine.

The State is requesting creative solutions or ideas under either the Geographic Access or Special Populations strategies, or both. Examples of projects that could be funded include:

- Increased hours of clinic operations (evenings and weekends)
- Increased number of providers available to subscribers at remote facilities (family practitioners, pediatricians, nurses, dentists, pedodontists, dental hygienists, dental assistants, ophthalmologists, optometrists)
- Mental health and/or substance abuse services
- Health education in the areas of diabetes and obesity, including nutrition counseling programs

- Community-based preventive care and health promotion programs
- Mobile health vans
- Mobile dental vans covering rural areas in multiple counties
- Transportation services
- Telemedicine
- Use of “Promotores de Salud” (promoters of health) to provide public health education in areas such as high blood pressure control, prevention and reduction of cancer, asthma, childhood lead poisoning and other public health issues prevalent in the state.

**MRMIB encourages plans, in developing proposals for MRMIB’s consideration, to work collaboratively with providers who have historically provided health care services to the special populations or services to subscribers in rural geographic areas. The knowledge and experience of those providers may help plans identify the most effective strategies to address the unique access problems of special populations or subscribers residing in rural geographic areas.**

All health, dental and vision plans proposing RHDP projects should be familiar with Title XXI of the federal Social Security Act, the authorizing state statutes (Insurance Code Section 12693 et seq.), and the program regulations (California Code of Regulations, Title 10, Chapter 5.8).

In order to be selected for participation in RHDP, a plan must be awarded a contract by MRMIB to participate as a health, dental, or vision plan in the Healthy Families Program for 2005-08. MRMIB will announce HFP contract awards at its March 2, 2005 meeting. All plans selected for participation in the RHDPs will be expected to have their projects and any collateral materials approved by their regulatory entities (if necessary) and ready for implementation no later than July 1, 2005. Potential contractors should time their regulatory filing to coincide with these dates. Entities unable to meet these timelines will not be eligible to participate.

### **Funding for Special Populations**

The MRMIB will make available \$1.4 million in funding for Fiscal Year (FY) 2005-06 to increase access for HFP members in special populations. Funding for FY 2006-2007 is subject to future appropriations by the legislature. Funding will be provided by MRMIB through a lump sum payment for specified services and/or deliverables.

### **Funding for Geographic Access**

The MRMIB will also make available \$1.4 million in funding for fiscal year 2005-06 to increase access to HFP subscribers in isolated rural areas. Funding for FY 2006-2007 is subject to future appropriations by the legislature. Funding will be provided by MRMIB to participating plans on either a per enrolled child per month basis for those subscribers enrolled in the identified isolated rural areas (rural MSSAs) or through a lump sum payment for specified services and/or deliverables.

### **Contracting Process**

The necessary contractual provisions will be prepared as an exhibit to a health, dental, or vision plan's HFP contract.

The HFP enabling legislation exempts the MRMIB from the provisions of state law related to competitive bidding. The MRMIB will use a competitive negotiation process to select plans to participate in the MRMIB administered aspects of the RHDPs.

This solicitation is being made available to all health, dental and vision plans submitting proposals under the general HFP solicitation (see Enclosure 1), whether or not they are current contractors. Plans must identify: (a) the geographic region for which they are submitting a RHDP proposal (it may cover more than one area and may cover urban MSSA's for special populations), (b) the strategy the plan is attempting to address, (c) the ideas and creative solutions the plan proposes, and (d) the network of providers and services available in the plan and the cost. A plan may submit an RHDP proposal for both strategies. The Rural Health website, [www.ruralhealth.ca.gov](http://www.ruralhealth.ca.gov), provides an overview of rural areas of California to assist plans in identifying the rural MSSAs where proposed services will be provided.

After the release of this solicitation and prior to the final date for submission of proposals, all interested health, dental, or vision plans should arrange to meet with staff from the MRMIB to discuss the RHDP, the contractual requirements, and the plan's network and capabilities for providing access under the Special Populations or Geographic Access strategies. In addition, plans should be prepared to discuss their ideas for submission of proposals with MRMIB staff. Plans interested in participating in the RHDPs should contact Mauricio Leiva, Operations Manager, at (916) 445-2107 or Alba Quiroz-Garcia, Program Analyst, at (916) 327-7969 to discuss their interests and schedule a meeting to begin the negotiation process.

### **Selection of Projects for Special Populations Access**

All proposals will be reviewed in their entirety using the following criteria:

1. All wording changes requested by a plan in the language of the Administrative Provisions, including (a) those that indicate a plan's inability or unwillingness to meet stated requirements or to accept other contractual terms and/or language; and (b) proposed improvements to the terms of the Administrative Provisions.



2. Relative effectiveness of the proposal in addressing the unique access needs of one or more identified special populations and the extent to which the proposal is designed to reduce health disparities among children in the target population.
3. The plan's ability to improve access for the special population(s). Factors that will be considered include, but are not be limited to, the plan's proposed network of providers, clinics and other facilities available to the special populations, the inclusion of providers who have experience serving the special population, and the ability to overcome obstacles related to geographic boundaries.
4. Ability to implement the proposed project on time. For example, if funding for health care providers is requested, plan partners must demonstrate their ability to fill the requested positions on a timely basis. If the request includes the use of a mobile health or dental van, the plan must indicate whether all appropriate licenses have been secured and if the vehicle is ready to be placed in service. Plans must address all other issues pertinent to the delivery of services in accordance with specified project goals, objectives and timelines.
5. The cost effectiveness of the plan's proposal, as demonstrated by the plan's cost to deliver specified benefits to special populations (price) relative to the services offered.
6. The plan's ability to collect and report demographic and utilization data for all children assisted through the RHDP on a quarterly basis.

### **Selection of Projects for Geographic Access**

All proposals will be reviewed in their entirety using the following criteria:

1. All wording changes requested by a plan in the language of the Administrative Provisions, including (a) those that indicate a plan's inability or unwillingness to meet stated requirements or to accept other contractual terms and/or language; and (b) proposed improvements to the terms of the Administrative Provisions.
2. Relative effectiveness of the proposal to improve or increase the accessibility of services to subscribers in rural areas as well as the ability to provide services to eligible children in the rural area (rural area is defined as one or more rural MSSAs).
3. An area's need for additional services as identified by the unique access barriers, the potential number of eligible children, and the current HFP network (including traditional and safety net providers as defined by MRMIB in the program regulations) available to subscribers in a given rural area.
4. The plan's proposed network of providers, clinics and other facilities, the inclusion of traditional and safety net providers, as defined by MRMIB in the program

regulations, the network available to the subscribers, and/or the hours services will be available for subscribers in the designated rural area. (This will include analyzing what services and/or providers are being offered in the RHDP in addition to the plan's current HFP network available to subscribers in that rural area.)

5. Ability to implement the proposed project on time. For example, if funding for health care providers is requested, plan partners must demonstrate their ability to fill the requested positions on a timely basis. If the request includes the use of a mobile health or dental van, the plan must indicate if all appropriate licenses have been secured and if the vehicle is ready to be placed in service. Plans must address all other issues pertinent to the delivery of services in accordance with specified project goals, objectives and timelines.
6. The cost effectiveness of the plan's proposal, as demonstrated by the plan's cost to deliver specified benefits to subscribers through either an enhanced rate or a lump sum payment and limitations on administrative costs (price) in order to focus the enhanced premium rates or lump sum payments for benefit costs, relative to the services offered.
7. The plan's ability to collect and report demographic and utilization data for all children assisted through the RHDP on a quarterly basis.

### **Evaluation of Proposals**

Individual factors will not be given a specific number of points in the evaluation process. Proposals will be evaluated in their entirety. The evaluations will be comparative. During the review process, the State may enter into negotiations with potential plans on the contents of the proposal submission, including the price of the proposal and the potential for reducing the requested amount. The State reserves the right to accept a proposal as submitted.

The MRMIB will select projects based on its assessment of the best overall value to the State. The MRMIB is scheduled to select plans to participate in the RHDP at the March 23, 2005 board meeting.

### **Proposal Format**

**A complete proposal includes all of the items listed below.**

Four complete copies of all of the requested items, filed in separate three-ring binders, must be received by MRMIB at 1000 G Street, Room 450, Sacramento, CA 95814 by **5:00 p.m. on January 14, 2005.**

Items to be submitted:

1. Cover Letter

This letter should be on the plan's letterhead and signed by a person able to enter into contracts on behalf of the plan. The letter should include the name, title, phone, and fax number of the plan's contact person for any follow-up contact required by the MRMIB. The letter should also include an outline of the number of proposals submitted in the Special Populations and Geographic Access strategies and the total dollar amount requested for each strategy.

2. Contract Exhibit Administrative Provisions

Enclosed is the 2005-2007 Rural Health Demonstration Project Contract Exhibit Administrative Provisions. Entities interested in contracting with the MRMIB should review the exhibit language. Several areas of the Contract Exhibit require plans to provide "fill in the blank" information. All such areas should be completed prior to submission.

3. Additional Requested Items

- a. **For the Special Populations Access RHDP** - a listing, including the name, address, city, county, zip code, and provider specialty of the proposed providers, clinics and other facilities in the plan's network available to the special population. Indicate if the provider, clinic or other facility is currently part of the health plan HFP network or is an addition to the current network. Additionally, include a description of the number of individuals the provider, clinic and other facility currently serves from each special population, and a description of services and or programs currently provided by the provider, clinic and other facility for the special population. Mark in bold the providers, clinics and other facilities that have experience providing services to the special populations. Plans are encouraged to include letters of support from the providers, clinics and other facilities that are included in their network of the special population RHDP submission. **(See Attachment V.)**
- b. **For the Geographic Access RHDP** - a listing, including the name, address, city, county and zip code and specialty of service of the proposed providers, clinics and other facilities in the plan's network available to the subscribers in the rural area and if applicable, the hours of services that will be made available to subscribers in specified rural areas. Indicate if the provider, clinic or other facility is currently part of the health plan HFP network or is an addition to the network. Mark in bold the providers, clinics and other facilities that are designated by the program regulations as traditional and safety net providers. Place an asterisk next to the providers, clinics and other facilities that are located in the rural MSSA proposed for the RHDP.) Plans are encouraged to include letters of support from the providers, clinics and other facilities in

their network for the geographic access RHDP submission. (**See Attachment V.**)

- c. A description of the plan's administrative costs for each project (both in total dollars as well as in percentages of the total project request). Administrative costs can not exceed 10% of the total spending of a RHDP project. Administrative costs are considered in the selection process of each RHDP project under the cost effectiveness criteria. Please attach the description of the administrative costs to Attachment II.
- d. A completed Confidential Attachment Rates of Payment or Lump Sum Payment. Please complete only the rate section for the rural regions that your proposal will serve. (**See Attachments III and IV.**)
- e. Completed proposals in the **Proposal Format** document provided in **Attachment II**. Proposals must include a detailed project description, break out of the use of the rate enhancement funds or lump sum funding requested, and all other information requested in the proposal format document.

Attachments:

Attachment I: Administrative Provisions

Attachment II: Proposal Format

Attachment III: Confidential Attachment Rates of Payment 2005-06

Attachment IV: Confidential Attachment Rates of Payment 2006-07

Attachment V: Projects Listing

## **RURAL HEALTH DEMONSTRATION PROJECT ADMINISTRATIVE PROVISIONS**

**[Note: For bidders chosen to conduct Rural Health Demonstration Projects, Attachments I through V will become an additional Exhibit F to the HFP Contract.]**

- I. The purpose of this Attachment is to add provisions for the implementation; monitoring and payment for the Healthy Families Program Rural Health Demonstration Project (s) awarded to the Contractor for the contract period of July 1, 2005 through June 30, 2007.
- II. The contractor agrees to provide services to children eligible for the program through projects listed in Attachment V, Rural Health Demonstration Projects Listing:
- III. Geographic Areas Covered
  - A. In addition to the counties listed in the geographic area grid, the Contractor is also participating in the special population component of the Rural Health Demonstration Project to increase and improve the accessibility of services to special populations, as defined in the program regulations, CCR, Title 10, Chapter 5.8, Article 1, through projects listed in Attachment V.
  - B. The Contractor is also participating in the geographic access component of the Rural Health Demonstration Project to increase and improve the accessibility of services to residents of Rural Medical Services Study Areas, as defined in the program regulations, CCR, Title 10, Chapter 5.8, Article 1, through projects listed in Attachment V.
- IV. Rural Demonstration Project

The Contractor shall participate in the Rural Demonstration Project for special populations and/or for improved access to rural subscribers in the program. The Contractor agrees to provide the services listed in Attachment V and as specified in each project proposal approved for funding. The Contractor shall provide these services through the network of projects listed in Attachment V. The Contractor shall inform the State of all its monitoring activities ensuring the provision of services related to the Rural Health Demonstration Projects. The Contractor understands that the State may perform on-site inspections to monitor the Contractor's compliance with the Rural Health Demonstration Project contract terms.

V Rural Demonstration Project Progress Reports

- A. The Contractor shall submit to the State a progress report on each Rural Health Demonstration Project listed in Attachment V on forms provided by the State. The progress reports shall contain information on the progress that each project has made in accomplishing the project's goals for the preceding quarter. The reports must include, but are not limited to, the following information:
  - 1. A comparison of actual accomplishments to the objectives established for each project for the quarter;
  - 2. If established objectives are not being met, a statement of the reasons explaining the delay;
  - 3. Any additional pertinent information, including but not limited to analysis and explanation of any delays or problems in project implementation.
- B. The contractor shall submit reports according to the following schedule:
  - 1. Reports for the quarter ending September 30, 2005 will be due on November 15, 2005
  - 2. Reports for the quarter ending December 30, 2005 will be on February 15, 2006
  - 3. Reports for the quarter ending March 30, 2006 will be due on May 15, 2006
  - 4. Reports for the quarter ending June 30, 2006 will be due on August 15, 2006
  - 5. Reports for the quarter ending September 30, 2006 will be due on November 15, 2006
  - 6. Reports for the quarter ending December 30, 2006 will be due on February 15, 2007
  - 7. Reports for the quarter ending March 30, 2007 will be due on May 15, 2007
  - 8. Reports for the quarter ending June 30, 2007 will be due on August 15, 2007

VI. Rural Health Demonstration Project Payment Provisions

- A. The State agrees to pay a total of \$XXXXXX to the Contractor for the project period of July 1, 2005 through June 30, 2006, as follows:
1. \$XXXXXX for projects related to geographic access as described in Attachment V.
  2. \$XXXXXX for projects related to special population members as described in Attachment V.
  3. In addition, the State shall pay the enhancement to the per-child rate, specified by region, described in the Confidential Attachment Rates of Payment - Rural Health Demonstration Projects 2005-06 (Attachment III). **[Note: This provision is applicable only to plans that have projects approved for rate enhancements]**
  4. The Contractor shall submit monthly statements in arrears for services rendered until the total lump sum has been expended. The invoice shall be submitted in a format provided by the State and shall include a brief description of the services provided.
  5. Any funds related to the Rural Health Demonstration Project that remain unspent by June 30, 2006 may be carried forward into the next State Fiscal Year, contingent upon satisfactory progress by the Contractor and continuation of this Agreement for the duration of the next State Fiscal Year.
- B. The State agrees to pay a total of \$XXXXXX, contingent on RHDP funding by the legislature, to the Contractor for the project period of July 1, 2006 through June 30, 2007, as follows:
1. \$XXXXXX for projects related to geographic access as described in Attachment V.
  2. \$XXXXXX for projects related to special population members as described in Attachment V.
  3. In addition, the State shall pay the enhancement to the per-child rate, specified by region, described in the Confidential Attachment Rates of Payment - Rural Health Demonstration Projects 2006-07 (Attachment IV). **[Note: This provision is applicable only to plans that have projects approved for rate enhancements.]**

4. The Contractor shall submit monthly statements in arrears for services rendered until the total lump sum has been expended. The invoice shall be submitted in a format provided by the State and shall include a brief description of the services provided.
- C. The Contractor agrees that the provisions of the specific projects of the Rural Health Demonstration Project, as described in Attachment V, must be fully and satisfactorily met in order to retain funding. The Contractor agrees that if the State determines that any provision or specific project has not been fully met, or has not been fully performed to the State's satisfaction, the State may initiate one or more of the following actions:
1. Temporarily withhold payments pending correction of the identified deficiency by the Contractor or disallow activities not in compliance.
  2. Suspend or cancel all or part of the specific Rural Health Demonstration Project in question.
  3. Demand repayment from the Contractor for any payments paid to Contractor for the specific Rural Health Demonstration Project in question. The Contractor may request that the State establish a repayment plan for the funds demanded by the State. The State reserves the right to approve or deny the Contractor's request for establishment of a repayment plan for such funds. The State also reserves the right to offset the funds demanded against other State funds owed to the Contractor under the Rural Health Demonstration Projects.



## 2005-2007 RURAL HEALTH DEMONSTRATION PROJECT-PROPOSAL FORMAT

Participating Plan Name: \_\_\_\_\_ Project Number: \_\_\_\_\_

Project Title: \_\_\_\_\_

Check Project Type: ☐ Special Population ☐ Geographic Access

Special Population or Geographic Area to be served:

\_\_\_\_\_

Project Partner: \_\_\_\_\_

Is the partner currently part of the plan's HFP network? If not, when will they be added?

**Location(s):** Describe the geographic location of the project including county and city.

**Areas to be covered:** MSSAs or counties covered.

*\*Please note that projects for Geographic Access must be located in a rural Medical Services Study Area (MSSA). To verify MSSA information log onto [www.ruralhealth.ca.gov](http://www.ruralhealth.ca.gov) or call Alba Quiroz-Garcia at (916) 327-7969.*

**Special Population Project Description:** Describe how the project will address the unique access needs of special populations and the extent to which the proposal is designed to reduce health disparities among children in the target populations.

**Geographic Access Project Description:**

Describe how the project will address the unique access needs of geographically isolated rural and frontier areas. The type of services needed in the community, the availability of providers or how the project will make providers available where services are non-existent.

*Use additional space as necessary, but limit this section to no more than 2 pages, project description should be concise and clear.*

## BUDGET

**Project Period Requested** (check all that apply) ☐ 7/1/05 – 6/30/06 ☐ 7/1/06 – 6/30/07

For each period requested, please complete the following:

### **Project Budget 7/1/05 – 6/30/06**

Is reimbursement requested for: (check one) ☐ Lump Sum ☐ Rate Enhancement

Itemized Total Budget Requested for:

Personnel Salaries \$ \_\_\_\_\_

Fringe Benefits (%) \_\_\_\_\_ \$ \_\_\_\_\_

Other direct program costs \$ \_\_\_\_\_

Supplies and collateral materials \$ \_\_\_\_\_

Total (less admin costs) \$ \_\_\_\_\_

Plan Administration % \_\_\_\_\_ \$ \_\_\_\_\_

Grand Total \$ \_\_\_\_\_

### **Project Budget 7/1/06 – 6/30/07**

Is reimbursement requested for: (check one) ☐ Lump Sum ☐ Rate Enhancement

Itemized Total Budget Requested for:

Personnel Salaries \$ \_\_\_\_\_

Fringe Benefits (%) \_\_\_\_\_ \$ \_\_\_\_\_

Other direct program costs \$ \_\_\_\_\_

Supplies and collateral materials \$ \_\_\_\_\_

Total (less admin costs) \$ \_\_\_\_\_

Plan Administration % \_\_\_\_\_ \$ \_\_\_\_\_

Grand Total \$ \_\_\_\_\_

**PROVIDER'S EXPERIENCE WITH THE SPECIAL POPULATION OR GEOGRAPHIC ACCESS AREAS**

**Special Population**-Describe provider's experience with special population, including how long they have been serving the special population, the estimated numbers of special population served annually and the source for the reported numbers – OSHPD, Medi-Cal, self-reported or other.

**Geographic Access**-Describe providers experience working with geographically isolated communities and knowledge of community needs.

**Estimated number of HFP children enrolled in plan in areas to be served:**

**Estimated number of HFP children to be served by project:**

**Expected outcomes:** For example, reduction in health disparities in children in the special population or increasing access to health care in geographic isolated communities. Describe what the project will demonstrate.

**Project Feasibility:** Can the plan partner meet the established goals and objectives according to timelines? If staffing is requested, has any work been initiated to find the healthcare provider requested? Have any issues related to licenses or operating permits been addressed prior to submitting proposals, and are projected timelines realistic?

**Data Collection and Reporting:** Provider's ability to collect and report demographic and utilization data. Describe how the data collection process will be implemented. Provide some detail of your data processing capabilities.

**Other:** Include if the plan project partner has been funded through the RHDP in the past from MRMIB? If yes, list the year, project number and funding amount.

*Any other information that justifies your request and strengthens your proposal.*

<p><i>* Proposals submitted must address all areas outlined in this format.</i></p>
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Premium Rates for the Rural Health Demonstration Projects  
Listed on Attachment V for contract year 2005-06

<b>Rural Demonstration Project: Proposed Rate Enhancement - Geographic Access Proposals Only</b>						
<b>Rates by Region</b>	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per subscriber per month rate ages 1 thru 18						
<b>Rates by Region</b>	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per subscriber per month rate under age one*						
<i>*Plans are to leave infant rates blank. MRMIB will calculate infant rate.</i>						
<b>Rural Demonstration Project: Lump Sum Payments-Geographic Access</b>						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						

Rural Demonstration Project: Lump Sum Payments for Special Populations						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						

**Premium Rates for the Rural Health Demonstration Projects**  
Listed on Attachment V for contract year 2006-07

<b>Rural Demonstration Project: Proposed Rate Enhancement - Geographic Access Proposals Only</b>						
<b>Rates by Region</b>	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per subscriber per month rate ages 1 thru 18						
<b>Rates by Region</b>	Geographic Area 1	Geographic Area 2	Geographic Area 3	Geographic Area 4	Geographic Area 5	Geographic Area 6
Per subscriber per month rate under age one*						
<i>*Plans are to leave infant rate blank. MRMIB will calculate infant rate.</i>						
<b>Rural Demonstration Project: Lump Sum Payments-Geographic Access</b>						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
<b>Rural Demonstration Project: Lump Sum Payments for Special Populations</b>						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						
	Project #	Project #	Project #	Project #	Project #	Project #
Project						
Requested Payment						

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# Healthy Families Program

[illegible]